

KLS/PSV/2B-2.00

The House reassembled after lunch at two of the clock,

MR. DEPUTY CHAIRMAN in the Chair

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MR. DEPUTY CHAIRMAN: Supplementary Demands for Grants (Railways) 2016-17, Shri Suresh Prabhu to lay on the Table.

SUPPLEMENTARY DEMANDS FOR GRANTS (RAILWAYS) 2016-17

THE MINISTER OF RAILWAYS (SHRI SURESH PRABHU): Sir, I beg to lay on the Table, a statement (in English and Hindi) showing the Supplementary Demands for Grants (Railways) 2016-17.

(Ends)

MR. DEPUTY CHAIRMAN: Statement by hon. Minister, Shrimati Sushma Swaraj.

STATEMENT RE: INCIDENT OF FIRING ON INDIAN FISHERMEN IN PALK BAY

THE MINISTER OF EXTERNAL AFFAIRS (SHRIMATI SUSHMA SWARAJ):

Thank you, Mr. Deputy Chairman.

Hon. Deputy Chairman, Sir, I rise to respond to the issue raised by hon. Member, Shrimati Kanimozhi and other hon. Members of this House regarding an incident of firing on Indian fishermen in Palk Bay.

At the outset, Mr. Deputy Chairman, Sir, let me take this opportunity to reiterate, in no uncertain terms, that our Government attaches the highest importance to the safety, security and welfare of Indian fishermen. The Government, through diplomatic channels, has consistently taken up issues relating to apprehension of our fishermen with the Government of Sri Lanka to ensure that our fishermen are treated in a humane manner.

According to our information, the referred matter relates to the incident in Palk Bay at around 2230 hrs on 6 March 2017, in which a fishing vessel from Tamil Nadu was fired upon, allegedly by the Sri Lankan Navy, leading to the death of an Indian fisherman. Another fisherman was also injured. After the incident was reported, the Government, through diplomatic channels, took up the matter urgently with the Government of Sri Lanka and expressed our strong concern over the incident. The Sri Lankan side has, however, denied the involvement of their Navy in the firing incident. Our High Commissioner personally spoke to Sri Lankan Prime Minister and Navy Commander on this matter. The Sri Lanka Navy, however, maintained that their patrol boats are

not authorised to open fire at any point on Indian fishermen even if they are transgressing into the Sri Lankan waters. The Ministry of Foreign Affairs of Sri Lanka, in a separate statement, conveyed their deep concern over the firing and loss of life, reiterating the commitment of the Government of Sri Lanka to ensure that all Government agencies treat Indian fishermen in a humane manner at all times. The Sri Lankan Government has further reassured us that all possible action will be taken in cooperation with the relevant Indian authorities to investigate the incident.

President of Sri Lanka also conveyed to our Vice President in their meeting in Jakarta on 7th March, 2017 on the sidelines of the Indian Ocean Rim Association (IORA) Leaders' Summit his regret at the unfortunate incident and the loss of life. He emphasized that he has ordered a full investigation. We will be pursuing this matter with the Sri Lankan Government.

Mr. Deputy Chairman, Sir, it is because of the priority attached to this issue by our Government that the fishermen issues were raised at the highest level, including by our Prime Minister in his meetings with the Sri Lankan President in the last two years. We consider the matter as essentially humanitarian in

nature, involving the livelihood and socio-economic practices of our fishermen community. Both leaders had called for finding a permanent solution to the matter. I have also discussed the matter, in great detail, with the Sri Lankan Foreign Minister during my visit to Colombo in February 2016, when we co-chaired the 9th meeting of the India- Sri Lanka Joint Commission. We have since then steadfastly worked towards finding a permanent solution to the matter.

(Contd by 2C/SSS)

SSS-VNK/2C/2.05

SHRIMATI SUSHMA SWARAJ (CONTD.): Mr. Deputy Chairman, Sir, last November, based on the feedback, I, along with our Minister of Agriculture and Fisheries, held a bilateral ministerial meeting with Sri Lanka in New Delhi to discuss the issue in a comprehensive manner. I also had a meeting with the Fishermen's Associations on this issue. I would like to share with the august House that an agreement was reached at the meeting to set up a Joint Working Group (JWG) on Fisheries as a bilateral institutional mechanism to help find a permanent

solution to all fishermen issues. It was also agreed that Ministers of Fisheries of the two countries meet every six months to review the progress. The first meeting of the JWG on Fisheries was held in New Delhi on 31st December 2016 and the first ministerial meeting was held on 2 January 2017 in Colombo. The JWG agreed to a set of Confidence Building Measures (CBMs) which included "an understanding to ensure that there was no physical harm or loss of life while apprehending fishermen by Navy and Coast Guard of the two countries." Mr. Deputy Chairman, Sir, the Government, as a result of its consistent efforts, has secured release of 1045 Indian fishermen, in custody of Sri Lanka in 2014, 375 fishermen in 2015, 333 fishermen in 2016 and 51 fishermen in 2017. While 85 Indian fishermen along with 136 fishing vessels were in custody of Sri Lanka, I am glad to inform the House that all the fishermen have since been released. Seventy seven fishermen returned to India day before yesterday and as I speak, rest of the 8 are on their way back to India. We are also pursuing the release of the fishing boats in Sri Lankan custody.

I would again like to reassure the hon. Members that the

Government of India accords the highest priority to promote the well-being, safety and security of our fishermen. We have strongly conveyed to Sri Lanka that the use of force cannot be justified under any circumstances.

Mr. Deputy Chairman, Sir, the Government continues to remain engaged with the Government of Sri Lanka to ensure that the rights of the detained Indian nationals are protected and that the fishermen on both sides can continue to pursue their livelihood in a safe, secure and sustainable manner. Thank you.

(Ends)

SHRI MADHUSUDAN MISTRY: Sir, there is no mention of Gujarat fishermen.

MR. DEPUTY CHAIRMAN: This is a statement on demand. There is no clarification in this.

SHRI MADHUSUDAN MISTRY: Sir, there is no mention of Gujarat fishermen who were captured by Pakistan authorities and the Minister has said that she will make a statement.

SHRIMATI SUSHMA SWARAJ: Mistryji, I am making a statement. Please have patience. I am making a separate statement on the issue raised by you.

SHRI MADHUSUDAN MISTRY: Sir, we have been given only one statement.

MR. DEPUTY CHAIRMAN: You listen to her. Let the Minister speak.

SHRIMATI SUSHMA SWARAJ: That has not been distributed. Only this one has been distributed, but I am making a statement on the issue raised by you that day about fishermen in Pakistan's custody.

MR. DEPUTY CHAIRMAN: Are you doing it now?

SHRIMATI SUSHMA SWARAJ: Yes.

**STATEMENT RE. APPREHENSION OF INDIAN FISHERMEN BY
PAKISTAN**

THE MINISTER OF EXTERNAL AFFAIRS (SHRIMATI SUSHMA

SWARAJ): Mr. Deputy Chairman, Sir, I would like to respond to the issue raised by hon. Member, Shri Madhusudan Mistry by saying that Government has been regularly taking up the matter of consular access, early release and repatriation of the apprehended Indian fishermen in the custody of Pakistan's authorities at various levels. We have institutionalized the mechanism of sharing information about the prisoners, including fishermen, in each other's custody through a Bilateral Protocol in 2008. Under this, lists of prisoners, including fishermen, are exchanged on 1st January and 1st July, every year. Last such exchange of lists took place on 1st January 2017.

Due to the persistent efforts of the Government, we have been able to secure the release and repatriation of 1261 fishermen since 2014. In fact, the release of 438 of these Indian fishermen was secured in the last three months only. As per available information, presently there are 301 Indian fishermen in Pakistan's custody. However, Pakistan has confirmed custody of only 77 fishermen so far. We continuously seek consular access to the Indian fishermen in custody and distribute to them

the items of daily necessity, as required.

Mr. Deputy Chairman, Sir, it has been brought to our attention that many incidents of apprehensions take place beyond the international waters. In this context, under the Community Interaction Programme, regular awareness campaigns are conducted by the Indian Coast Guards in coordination with the State Fisheries Department, to educate "the fishermen about the limits of the International Maritime Boundary Line, i.e. IMBL.

(Contd. by NBR/2D)

-SSS/NBR-NBK/2D/2.10.

SHRIMATI SUSHMA SWARAJ (CONTD.): Emphasis has also been laid on the need for fishing in safe, secure and sustainable environment. The Indian Coast Guards have also been undertaking enhanced patrolling in the Indian waters, including to safeguard the interests of the Indian fishermen and keep them out of harm's way.

The Government continues to monitor the status of the Indian fishermen in Pakistan custody with a view to secure their early release and repatriation.

Thank you.

(Ends)

SHRI D. RAJA: Sir, I wish to seek some clarifications.

MR. DEPUTY CHAIRMAN: No, no. Rajaji, this is a statement made by the hon. Minister because there was a demand for the same. The other day, Shrimati Kanimozhi, Shri Tiruchi Siva and Shri Mistry demanded a statement. And, I myself directed the Government that there should be a statement on this. So, we cannot have clarifications. That is the practice in this House. You know that. Had it been a *suo motu* statement, we could have clarifications. ...(Interruptions)... No, no. What can I do? We have to take up the discussion on the Budget.

SHRIMATI KANIMOZHI: Sir, I only wish to seek clarifications. ...(Interruptions)...

MR. DEPUTY CHAIRMAN: If I allow you, everybody will ask. Then, I have to allow others also. ...(Interruptions)... Now, we have to take up discussion on the Budget.

SHRI MADHUSUDAN MISTRY: Sir, there are repeated incidents of capturing our fishermen from Pakistan's side. ...(Interruptions)... Our fishermen have been captured by Pakistan marine people. The hon. Leader of the House is from Gujarat. ...(Interruptions)... He never uttered a word about fishermen in this House! ...(Interruptions)...I wanted to know about that. ...(Interruptions)...

MR. DEPUTY CHAIRMAN: Mistryji, you cannot blame. ...(Interruptions)... Your raised it and the Government responded to it. Shrimati Susuma Swaraj was kind enough to respond to your demand. ...(Interruptions)... Now, how can you blame? ...(Interruptions)... No, no.

SHRI TIRUCHI SIVA: Sir, there need not be an elaborate discussion. ...(Interruptions)... There can be pointed clarifications. ...(Interruptions)...

MR. DEPUTY CHAIRMAN: No, no. I am not allowing clarifications. ...(Interruptions)...

SHRI MADHUSUDAN MISTRY: Sir, Pakistan is entering into our territorial waters! ...(Interruptions)...

MR. DEPUTY CHAIRMAN: I know. ...(Interruptions)... No, no. We have to take up discussion. ...(Interruptions)...

SHRI TIRUCHI SIVA: Sir, we only seek clarifications. ...(Interruptions)... We don't want an elaborate discussion; we only seek clarifications. ...(Interruptions)...

MR. DEPUTY CHAIRMAN: But, how many? What do I do? ...(Interruptions)...

SHRI TIRUCHI SIVA: Sir, we have already given names.

MR. DEPUTY CHAIRMAN: Okay. You have given name. But, I cannot stop with you.

THE MINISTER OF EXTERNAL AFFAIRS (SHRIMATI SUSHMA SWARAJ):

Mr. Deputy Chairman, Sir, as you rightly said, clarifications are sought only when Minister makes a *suo motu* statement, not when Minister replies to a discussion or issues raised in the House. But, if the hon. Members really want to seek clarifications, I request you to please fix another date for clarifications. I am ready for that.

MR. DEPUTY CHAIRMAN: That is okay. I have no problem with that.

SHRI TIRUCHI SIVA: Sir, date can be fixed as per her convenience.

SHRI D. RAJA: We can fix the date whenever it is convenient to her.

MR. DEPUTY CHAIRMAN: I must thank the hon. Minister for being so generous and also responding to the demands of the Members. I think, this

is a good example. We must all thank her as she responded to the Zero Hour submissions of a few Members. Thank you very much.

Now, we will take up discussion on the Budget. Now, Shri Tapan Kumar Sen. Shri Tapan Kumar Sen, the problem is, your party is left with only 20 minutes. But, there are two more speakers from your party. Therefore, I will call the next speaker.

SHRI TAPAN KUMAR SEN: Sir, I will speak.

MR. DEPUTY CHAIRMAN: Are you going to speak?

SHRI TAPAN KUMAR SEN: Yes, Sir.

MR. DEPUTY CHAIRMAN: How can it be?

SHRI TAPAN KUMAR SEN: I will finish shortly.

MR. DEPUTY CHAIRMAN: What do you mean by 'shortly?'

SHRI TAPAN KUMAR SEN: Sir, the discussion started in the first half of this Budget session.

MR. DEPUTY CHAIRMAN: So, you take only three minutes.

THE UNION BUDGET, 2017-18 -- CONTD.

SHRI TAPAN KUMAR SEN (WEST BENGAL): Sir, I am taking advantage of the presence of the hon. Finance Minister here just to recapitulate a few points and complete my submissions within a few minutes.

I have already spoken on the Budget in the first part of the Session. I had raised some points and, I think, definitely, the Ministry might have taken note of them. I only request the hon. Minister to kindly respond to the points raised by me. I am sure I have that privilege before the hon. Minister. Sir, usually, many points are ignored in the reply. So, I would like to, particularly, draw the attention of the hon. Minister in bullet points and request the hon. Minister to respond whenever he is replying to the debate on the Budget.

Firstly, the hon. Minister, while taking over as Finance Minister and making a statement in this House, said, "In the given situation if economy is made through reducing expenditure, it will lead to further recession and further gloom. So, it is important to avoid contraction measures. This Budget is a decline of the size in terms of GDP if other steps are not taken."

My second point is this. Sir, kindly respond as to why year-after-year a huge amount of direct tax is lying unrecovered and you are consistently, in every Budget, making a statement on tax raised but not realized.

(CONTD. BY USY/2E)

USY/2E/2.15

SHRI TAPAN KUMAR SEN (CONTD.): In the current year, this amount is Rs. 6.59 lakh crores. Can a Government, constrained by the lack of

resources, afford that luxury to continue like this? Even in the current Budget, why such an anomalous position is there that on the one hand you sacrificed indirect taxes to the tune of Rs. 20,000 crores, on the other hand, you have targeted to generate Rs. 75,000 crores as additional revenue through indirect taxes? Particularly at a time when there is an overall gloomy situation of the economy, the situation demands that the burden of indirect taxes on the people need to be reduced. Let them have a little more purchasing power to generate some aggregate demand in the market, which may create a congenial atmosphere for more investment because investment is always a factor dependent on the return on investment, not on various concessions. I would like the hon. Finance Minister to kindly respond to this point, whenever he replies.

Thirdly, I would like to understand from the hon. Minister, there is no question, no blaming, what is the logic behind doing away with the plan expenditure and non-plan expenditure? You are now putting the expenditure in the single basket and showing that there is increase in absolute terms. The importance of plan and non-plan expenditure, as I understand, in any Budget, in any allocation, is that there is, number one, a kind of administration expenditure and, number two, an expenditure made for expansion and growth. Once you add these together, for a layman, like

us, it is very difficult to make out what your projection is in generating additional value through your budgetary expenditure. So, what is the logic behind that? What is happening in different allocations and different people-sensitive Ministries is that – say, on SC/ST, on labour, I have particularly gone through that Budget -- eighty-eight per cent is the allocation on general account, while only twelve per cent allocation is there on SC/ST account on the targeted schemes. My last point is, I would kindly like to be educated by the hon. Finance Minister, that there are now number of cesses for labour welfare, *bidi* workers' cess, mine workers' cess, and the construction workers' cess -- which has been established by an Act of Parliament. I know the *bidi* workers cess is continuing. But, I have been told that the other cesses have been discontinued. Why is it so? Why has these cesses been stopped, particularly a cess created through an Act of Parliament, like, the construction workers' cess? Similarly, the mine workers' cess and other cesses have been stopped. I have been told that these are going to be abolished after 01st April, 2017. (Time-Bell)

MR. DEPUTY CHAIRMAN: Conclude, please.

SHRI TAPAN KUMAR SEN: What is the importance of this decision, particularly when these cesses have been created as an avenue for the benefit of the targeted beneficiary who are otherwise the most downtrodden

sections of the working people, but, at the same time, making huge value for the country's economy and making huge contribution towards GDP?

So, these are issues, I feel, the hon. Minister should clarify, some for educating me and some for real clarifications over the whole budgetary exercise. Thank you very much.

(Ends)

MR. DEPUTY CHAIRMAN: Thank you, Mr. Tapan Kumar sen. Now, Shri C.M. Ramesh – hon. Member not present; Shri K.T.S. Tulsi -- hon. Member not present; Dr. Subhash Chandra -- hon. Member not present; Shri D. Raja. Oh! you manipulated this absenteeism. You managed this absenteeism. You being *Raja* can do so many things.

(Followed by 2f – PB)

PB/2F/2.20

SHRI D. RAJA (TAMIL NADU): Thank you, Sir, for giving me this opportunity.

Sir, Budget is a very serious exercise, and in a country like ours, Budget augurs great importance. Economics and Politics cannot be divorced. Whatever claims the Government makes in political domain, they will have to be correspondingly supported by the economic policies outlined by the Government. There, the Budget becomes important to question the

Government's policies and question the Government's understanding of the economy.

Sir, considering the time constraint, I move point-by-point. This Budget doesn't have adequate steps to contain inflation. There is no measure to create more jobs as promised by the Prime Minister and the Government. There is no increase in Direct Tax on the rich but the Government gives assurance to reduce the Corporate Tax. There is burden of Indirect Tax which continues to be more on the poor people.

Sir, the Government talks about banking reforms. But there is no visible, tangible action against wilful defaulters. Government doesn't want to speak on 'wilful default' by the rich, by the corporate houses but the Government goes on expressing concern over the growing non-performing assets of banks and, in a way, blaming it on the banks, nationalized banks and public sector banks.

Sir, if you closely scrutinize the figures, there is less allocation on health and education. I do not know what is the understanding of the Government. Even the International Monetary Fund has pointed out the growing inequalities in the society, among the nations, and it is the IMF economists who advised the Nation States to spend more on health and education. But, here, we find less allocation on health and education. Sir,

the outlay on farmers, farming sector, farmers' welfare really stands reduced, and in the case of Scheduled Caste Component Plan, Tribal Sub Plan, despite the claims of Government, there is actual reduction. There is actual reduction. The Government will have to consider some of these issues in the interest of our economy. Sir, since 1991 onwards, our economy has been highly dependent on foreign exchange inflows where it is dependent more on foreign exchange, i.e., US dollars than Indian rupees. I can very well call that Indian economy is not a rupee economy. It has become US dollar-dominated economy. Sir, even the current account and GDP of India are being determined more by inflow of American dollars, the foreign investments.

(Contd. by 2g/SKC)

SKC-SC/2G/2.25

SHRI D. RAJA (contd.): Our Current Account is always in a deficit, where US dollar receivables by way of exports and services are less than what is payable to imports and services. We find that the US dollar is always premium; currently, around six per cent of our economy is actually dependent on the US dollar. All our borrowings, including the Government borrowings and external commercial borrowings by Government companies, are in London Inter Bank Offered Rate, that is, LIBOR, rate of

interest and denominated in foreign currency. These are subject to market-driven factors and are mostly controlled by manipulators and speculators rather than the real economic factors of demand and supply. I do not know whether the Finance Minister and his team of officials have applied their minds, because there are many issues here. I have made this point in the past too. While the economy is in such a form, our country faced the effects of the huge foreign currency derivative fraud and LIBOR manipulation in the years 2006 and 2009. This side may tell me if I am wrong; I would stand corrected. The manipulation in the years 2006 and 2009 affected our economy to the tune of 40 billion US dollars. The matter is pending in the hon. Supreme Court since February, 2010, through a Public Interest Litigation. It is for the Government to probe the matter and try to find the truth behind how this fraud was committed. The RBI has fined 19 banks, which include a public sector bank, that is, the State Bank of India, six private banks in India and 19 foreign banks in India. All paid the penalty unconditionally, without appeal, and accepted the guilt. We witnessed this fraud even in the US. The FBI investigated this fraud and levied multi-billion US dollars on all fraudulent banks including the Bank of America, JP Morgan Chase and others. All these details are there with the Government. What I am trying to say is that the Government will have to investigate it further. It

is in the interest of our economy to find out how this kind of a derivative fraud was allowed in the past and what we should do now.

Sir, the Government talks a lot about the agricultural sector, but actually speaking, the *Fasal Beema* scheme that they are talking about, for instance, eludes majority of the farmers, as the Budget estimates that only half will be covered by March, 2019. That is what the Budget says. It would always elude the poor farmers who need the facility most, simply because the *beema* companies work on market factors. They are driven by market forces and they do not work on social security, social benefit or social welfare. The Budget is a meagre Rs. 9,000 crore. Large populations of tenant farmers stand totally bypassed. There is no provision to meet the consumption needs.

(CONTD. BY HK/2H)

HK/2H/2.30

SHRI D. RAJA (CONTD.): Sir, the Finance Minister announced several things. I can quote how the fund allocated for Mahatma Gandhi National Rural Employment Guarantee Scheme is, in actual figure, less, not to meet the requirement of the situation as it prevails today. Sir, if you take the Scheduled Castes Component Plan and Tribal Sub Plan, the Finance Minister claims that there is an increase. But what is our understanding of

Scheduled Castes Component Plan or Tribal Sub Plan? Sir, these Plans were conceived way back in 1970s. We had Planning Commission. Now, after your Government came, you dismantled the Planning Commission. Now, there is NITI Aayog. I don't know what the mandate of NITI Aayog is. If I understand what NITI Aayog does, it is nothing but transferring public assets to the private sector, promoting private sector, patronizing private sector. Even the NITI Aayog goes to the extent of saying 'privatise some functions of the Railways.' Why you are privatizing Public Sector Undertakings, I cannot understand it. Sir, in this House, we discussed what the strength of our economy is. If not the Public Sector Undertakings, if not the Public Sector Banks, if not the Insurance Companies, what is the strength of our economy? Why do you intend to go for reckless massive disinvestment of Public Sector Undertakings? Why should your Government allow Salem Steel Plant to be privatized which is one of the best Public Sector Undertakings? Why do you want to privatise Bengal Chemicals? Why do you want to privatise IDPL and Durgapur Plant? What is your understanding of Indian economy? Sir, this is one issue. In that context, I raised the issue of Scheduled Castes Component Plan and Tribal Sub Plan. The issue was raised yesterday by my colleague, Mr. Punia. Earlier, it was raised by Dr. Narendra Jadhav who was Planning Commission Member. If

you go by Jadhav guidelines, what should have been the money? The MoS Finance is sitting here. I am asking him, if the guidelines were to be followed, this year's allocation would have worked out to Rs.91,386 crore. In other words, this year's allocation for SCs is Rs.44,246 crore short of the agreed amount. Similar shortfall is for STs which is worked out to Rs.18,073 crore. What are we doing? Are we honest and truthful to our own people? Why is this fiscal statistical jugglery that we are playing with and we are trying to mislead the people? In fact, your allocations for Scheduled Castes Component Plan and Tribal Sub Plan have gone down. It is not to the tune of amount which it has to be, according to the Jadhav guidelines or the Planning Commission guidelines. That is where I question the mandate of NITI Aayog. Who decides all these things? Who decides? I want to know it. Who decides how this Scheduled Castes Component Plan or Tribal Sub Plan should be there? Government should explain to us. In the absence of the Planning Commission, some authority will have to decide it and also there is no Central legislation. Way back, we had legislation in the State Assembly of united Andhra Pradesh. Later on, we had one legislation in the State of Karnataka and there was a demand that there should be a Central legislation to govern the functions of Scheduled Castes Component Plan and Tribal Sub Plan. Is the Government agreeable to it? Has the

Government any commitment to the welfare of Scheduled Castes and Scheduled Tribes? If there is commitment, then agree for Central legislation. (Time-bell)

(Contd. by KSK/2J)

KSK/HMS/2.35/2J

SHRI D. RAJA (CONTD.): Sir, I am completing. If there is a commitment, then the Government should agree for a Central legislation on the Scheduled Castes and Scheduled Tribes Sub-Plans. Sir, because you have rung the time-bell, I must obey you. You are my beloved Chairperson.

MR. DEPUTY CHAIRMAN: I know you will only stop after finishing all the points. I know that.

SHRIMATI KANIMOZHI: Sir, you always allow him. That is why, he says, 'beloved Chairperson'.

SHRI D. RAJA: Sir, finally, I come to the end. What is the real problem which we are confronting? It is the unprecedented economic inequality. Let us forget which party we belong to. Let us look at the reality as reality. What is happening in the country? Are we not confronting this issue of unprecedented inequality where poor people are becoming poorer? A handful of corporate houses -- one per cent of the population -- own 58 per cent of national wealth. What is this story of wealth creation in our country?

Who creates wealth in our country, if not the toiling people, if not the workers, farmers, agricultural workers, or, the employees? Who creates wealth? They create wealth. What is their share in the country's wealth? Why should there be such an unprecedented inequality, horrible inequality, shameful inequality? In the morning, we discussed the existence of manual scavenging, how people are diving into septic tanks, how people are denied their basic rights. There is manual scavenging on the one side and Mangalyaan on the other side. India presents a horrible picture of conflicts and discriminations, disparities, and this Budget will have to address such fundamental issues. The Government, instead of resorting to rhetorics regarding poverty, poor people, empowerment of poor people, will have to tell as to what they are doing on ground through their economic policies. That is what I would like to know from the Government. What does the Government do for the upliftment of poor people through its economic policies?

So, Sir, these were some of the fundamental issues that the Government will have to think over and the Government will have to reconsider. Really, if there is a will, they can find the way, but do they have that will to address these issues? That is my question. Thank you, Sir.

(Ends)

SHRI JAIRAM RAMESH (KARNATAKA): Mr. Deputy Chairman, Sir, we are returning to the Budget debate after almost over a month. The Budget has become a part of history. All the criticisms have been made; all the spin has been introduced; all the political dividend, that had to be got, has been obtained; and, we are now discussing the Budget. So, what I would like to do today is not get into the usual game of numbers, but look at some broader aspects, the background in which the Budget has been formulated and raise five questions, which I hope the Finance Minister will respond to in the course of his speech.

First, I would like to talk about the economic situation. Second, I would like to revisit demonetization. Third, I want to say a few words on black-money. Fourth, I will say something on Aadhaar because that is the anchor for the delivery of all the social programmes. And, fifth, I will have some questions to raise on some philosophical underpinnings of this year's Budget.

First, I will talk about the economic background. Sir, I am not going to get into a debate on whether growth is 7.1 per cent or growth is 7 per cent. The statisticians and the experts will discuss that. But, I am more worried about the general trend of where growth is headed.

(Contd. by 2K - GSP)

GSP-ASC/2K/2.40

SHRI JAIRAM RAMESH (CONTD.): Sir, it is no exaggeration to say that growth has not accelerated, growth has not sharply decelerated, according to the numbers, but growth is very subdued. I think, this conclusion cannot be denied by anybody belonging to any political party. The UPA Government, over a ten-year period, averaged a GDP growth of 7.4 per cent per year, and, we are somewhere now in the 7.0 to 7.5 per cent range. What happens in the next quarter will be revealed in a few weeks from now but it will not be an exaggeration to say that the growth sentiment is subdued.

Sir, the Chinese Prime Minister, Li Keqiang, never believed the GDP numbers of China and he has his own three indicators to know how well or how bad China is doing, and, this is now in economics called, the Le Keqiang indicators. What are these indicators? First indicator is the railway freight; second indicator is the bank credit, and, third one is electricity consumption. These are the three indicators which the Chinese Prime Minister uses. He does not believe his Government's GDP numbers but he uses these three indicators. My request to the Finance Minister is to use these three indicators, namely, bank credit, electricity consumption and railway freight. If you use these three indicators, you get a completely

different picture than what the GDP growth numbers give you. Let us have a look at the bank credit to industry, flat; electricity consumption, flat; and, railway freight, flat. So, actually, the economic background of this Budget is not an economy that is booming, it is also not an economy that is going bankrupt but it is an economy in which the investor confidence has come down very significantly. Why do I say this, Sir? For the first time in 14 years, the Gross Fixed Capital Formation (GFCF) has fallen. For the first time in 14 years since the year 2002, the GFCF, which is an index of investment, has fallen. The investment rate as a proportion to the GDP, which was about 34 per cent five years ago, has fallen to 29 per cent.

So, the sum and substance is that the investor sentiment is subdued, investor sentiment is not buoyant to create growth. Now, whether the election results of Uttar Pradesh will provide the tonic for investor sentiment, whether the passage of the GST Bill or other Bills will provide the tonic for the investor sentiment, time alone will tell, but, I think, the Finance Minister owes it to him to acknowledge that today the crisis in the Indian economy is one of investor sentiment, is one of investor confidence, and, there is a need to restore that sentiment and restore that confidence, if growth has to come back to the 7.5 to 8.0 trajectory that the UPA Government left when it left office.

Sir, my second point is regarding demonetization. A lot of debate has taken place and the ruling party will undoubtedly look at the UP election results as an vindication of the demonetization drama. Sir, it is beyond doubt that demonetization was a psychological shock. Demonetization may well have been a smart political strategy but I still maintain that demonetization is based on spurious and dubious economic logic. There is no country in the world barring Burma, North Korea and a collapsing Soviet Union that adopted demonetization as a strategy.

(Contd. by SK/2L)

SK/2L/2.45

SHRI JAIRAM RAMESH (contd.): But, be that as it may, on the 8th of November, demonetization was announced and 15.44 lakh crores of rupees was demonetized. What was the expectation that day? The expectation was that out of Rs. 15.44 lakh crores, some Rs. 4 lakh crores will not come back to the banks. This is black money. This would be immobilized and we can then tell the country that Rs.4 lakh crores of black money has been destroyed. Sir, till today, as I speak, on the 16th of March, 2017, the Finance Minister has not told us how much of the Rs. 15.44 lakh crores has actually come back to the banks. In fact, there is speculation that more than Rs. 15.44 lakh crores has actually come back to the banks. But, be that as it

may, I think the Finance Minister owes it to the country to tell us how much of the Rs. 15.44 lakh crores has actually come back into the banking system. Sir, he gave some hint in his Budget speech. What did he say in his Budget speech? He said that roughly 1.8 lakh accounts have been opened and about Rs. 4.9 lakh crores has been deposited in these Rs. 1.8 lakh accounts. He did not say whether these are individual accounts or corporate accounts. So, we do not know that. Now, many people have made the assumption that this money is black money. But, actually, Sir, we do not know. This is contested money. Notices will be issued. The Income-Tax Department will investigate how much of this Rs. 4.9 lakh crores that has come in is black, how much can be explained. So, we don't know. It will take months. As of now, we have no way of knowing how much of the 15.44 lakh crores that was demonetized on the 8th of November, 2016 has actually come back to the banks, and I would request the Finance Minister to please give us a number which will help us to understand what is the economic impact of demonetization. Sir, let me now turn to black money. The motivation for demonetization was to curb black money. Ever since this Government came to power, there has been this great propaganda that we came to power and within one week, we set up an SIT for black money. Sir, I would like to remind the Treasury Benches and I would also like to remind

the Members of this House that on the 4th of July, 2011, the Supreme Court passed an order. This was on a petition made by an hon. Member of the Rajya Sabha, Mr. Ram Jethmalani. On his petition, the Supreme Court passed an order on the 4th of July, 2011 that an SIT should be constituted for black money and the Supreme Court also said that Mr. Justice B.P.Jeevan Reddy should be the Chairman and Justice M.B. Shah should be the Vice-Chairman. This is on the 4th of July, 2011. Sir, the Government of the day -- the hon. former Prime Minister is here; the former Finance Minister is now the President of India -- took a conscious decision that fighting black money is the job of the Government of India; it is the job of the Finance Ministry; it is the job of the Enforcement Directorate; it is the job of the Income-Tax Department. This is an Executive function and there is no role for an SIT. This was the philosophy of the Government. The Government rightly said ..(Interruptions)..

वित्त मंत्रालय में राज्य मंत्री (श्री अर्जुन राम मेघवाल) : वाह!

श्री जयराम रमेश : सुनिए मेघवाल जी सुनिए, अभी उसी पर आ रहा हूं, आपको और कुछ बताऊंगा। यह आपकी जानकारी में नहीं है, क्योंकि आप अभी नये-नये आए हैं।

The Government of the day said that this is an Executive function and we will discharge this function of unearthing black money. So, what did the Government do? After the Supreme Court order, the Government of the

day set up a multi-agency task force and on the 21st of May, 2012, Shri Pranab Mukherjee presented a White Paper on black money in the Lok Sabha.

(Contd. by YSR/2M)

-SK/YSR-KLG/2.50/2M

SHRI JAIRAM RAMESH (CONTD.): Sir, I don't know whether Mr. Meghwal has actually seen a copy of the White Paper. This was presented on the 21st of May. It was a hundred-page White Paper. It is the most comprehensive and the most exhaustive analysis of black money problem in India. This was presented by Mr. Pranab Mukherjee in the Lok Sabha. After the White Paper on black money was presented, the Government of the day started anti-black money operations.

Now what was the result of that? Sir, Mr. Arun Jaitley, the Finance Minister, and the Prime Minister have said, "Our Government has done more to take out black money than the previous Government." Before November 8, 2016, by the Finance Minister's own admission, the Government of Mr. Narendra Modi had unearthed Rs.1,25,000 crore worth of black money. This is not my number. This is a number given by the Ministry of Finance. From 26th May, 2014 till the 8th of November, 2016, the NDA Government unearthed Rs.1,25,000 crore of black money.

How much did the UPA Government unearth? Sir, it is a legitimate question to be asked. I tried to get this information from various sources. It was very difficult for me to get this information. But, finally, Sir, I discovered the best source, which is a Parliament Question.

A Parliament Question was asked in the Lok Sabha on the 28th of November 2014. The UPA Government was not in power. The NDA Government was in power. Md. Badaruddoza Khan asked this question. It is Unstarred Q.No.1068. He asked, “How much black money has been unearthed in the previous two years?” “The previous two years” were of the UPA Government. Mr. Jayant Sinha, the Minister of State for Finance, replied, and I will place this reply on the Table of the House. I will give a copy of this to the Finance Minister.

According to this Parliament Answer given by Mr. Jayant Sinha, the UPA Government unearthed Rs.1,31,000 crore worth of black money in its last two years. By the same definition which Mr. Arun Jaitley is using, by the same definition that the NDA Government is using, it unearthed pre-demonetisation -- I am not talking of demonetisation, because history begins only on 8th November, according to you -- Rs.1,25,000 crore worth of black money. And according to your own Minister of Finance, former now, but the then Minister of State for Finance, in the last two years of the UPA

Government, Rs.1,31,000 crore worth of black money was unearthed. ... (Interruptions)... Please look at the answer. Please see the answer. And please don't haul Mr. Jayant Sinha again for giving this answer because he has given the facts.

These facts bring out the truth. It is contrary to the propaganda that has been put out that you came and suddenly you unearthed all the black money. It is simply going contrary to facts. The last two years of the UPA Government unearthed more black money. This is post-White Paper.

(Contd. by VKK/2N)

-YSR/VKK-AKG/2N/2.55

SHRI JAIRAM RAMESH (CONTD.): Sir, now, I come to SIT. On May 1st, 2014 – remember elections were on – the Supreme Court passed an order saying that Justice M.B. Shah should be appointed Chairman of the SIT and Government was given three weeks to constitute this SIT. On the 16th of May, the results came out. The UPA Government was an outgoing Government. On the 23rd of May, by which time the NDA Government had come, the NDA Government requested the Supreme Court to give it one week more to set up an SIT. Sir, why am I saying all this? Because every time the Finance Minister and the Prime Minister speak, they say, “हम आए और एक हफ्ते के अन्दर, we formed the SIT.” ... (Interruptions)... You

converted a necessity into a virtue. आप पर दबाव था, सुप्रीम कोर्ट ने कहा था कि आप इसको एक हफ्ते के अन्दर करिए, आप कर नहीं पाए। ... (व्यवधान)... सुनिए, जब तथ्य निकल कर आते हैं, तो बड़ा uncomfortable होता है।

This was the propaganda that they came and they set up the SIT. Sir, they had no option but to set up the SIT where the Supreme Court had given them less than one week to do so. However, I agree that there was a difference between the UPA and the NDA. The UPA said, unearthing black money is the job of the Government; the NDA said that it is the job of the SIT. That is a genuine difference of opinion. In a democracy, differences of opinion exist. And I believe the Government of the day was right in 2011 and in 2012 to say that it was the job of the Enforcement Directorate, the DRI and the Income Tax Department. If the SIT is going to do all this, then all these Departments might as well be closed and the Finance Ministry can go on a holiday. So, I think, there is need for bringing some balance into this debate. It is not as if the previous Government did not unearth black money. It is not as if the previous Government did not take the issue of black money seriously. It did and it had better results than the pre-demonetisation results of the NDA. What the demonetisation results are, as I said, we still do not know.

Sir, let me now come to *Aadhar*, which is my fourth point. Much has been made about *Aadhar* and *Aadhar* is going to be the anchor for the delivery of all social welfare programmes. Sir, I welcome this. It was Dr. Manmohan Singh's Government that started the *Aadhar* initiative and it is Mr. Narendra Modi's Government which is taking it forward, and that's the way good programmes should always be looked at. One Government starts something; the successor Government continues with it. I am also very happy that finally the Prime Minister has seen the writing on the wall and expanded the allocation for the Mahatma Gandhi National Rural Employment Guarantee Act which he, some months ago, claimed was a monument of incompetence of the Congress Party. I am glad that he has changed his views. Not only has he changed his views on NREGA, but he has also changed his views on GST. We know what his views on GST were when he was Chief Minister of Gujarat. Now, of course, he thinks that GST is answer to all of India's economic problems. Sir, sometimes, it is better late than never. Sir, on *Aadhar*, as I said, the previous Government started *Aadhar* and this Government is taking it forward. But, Sir, I am very worried at the manner in which the *Aadhar* initiative is being implemented. Now, why do I say this? Sir, there are a series of Supreme Court judgments. On

the 11th of August, 2015, the Supreme Court said that *Aadhar* will be used only for PDS and only for distribution of LPG and kerosene.

(Contd. by BHS/20)