

RAJYA SABHA

***SUPPLEMENT**

TO

SYNOPSIS OF DEBATE

(Proceedings other than Questions and Answers)

Friday, February 09, 2018/ Magha 20, 1939 (Saka)

THE UNION BUDGET, 2018-19

General Discussion - Contd.

***SHRI S. MUTHUKARUPPAN:** In the Budget 2018-2019, there are many welcome measures. But Tamil Nadu has been neglected as sufficient fund is not allocated to Tamil Nadu. On the one hand, this Budget mentions about the health schemes to eliminate the sufferings of the poor and the middle class, on the other hand, it has included certain schemes for enhancing the income of small scale industrialists. Therefore, on behalf of AIADMK we welcome this Budget. But, at the same time, we are not satisfied because sufficient fund is not allocated to Tamil Nadu and the Tamil people. During December 2015, Tamil Nadu experienced an unprecedented rainfall and flood. All the agricultural crops were destroyed. Farmers were severely affected. But the relief package was not given even after one year. I would like to submit this demand to the Hon'ble Prime Minister once again. Vardah cyclone devastated Tamil Nadu in

*This Synopsis is not an authoritative record of the proceedings of the Rajya Sabha.

† Synopsis of speech delivered by Hon'ble Member in Tamil.

December 2016. There was huge financial loss to Tamil Nadu and to the people of Tamil Nadu. But it is distressing that not even a single rupee was given to Tamil Nadu. It causes agony to us. I reiterate and request the Union Government to give due financial assistance to Tamil Nadu without further injustice and without further delay. In Cauvery river water issue, as per the interim order of Cauvery Water Disputes Tribunal, Karnataka did not release the due share of Cauvery water to Tamil Nadu. The Supreme Court had ordered many times that Cauvery water had to be given to Tamil Nadu and that Cauvery Management Board had to be set up immediately without further delay. But the Union Government had taken an opposite stand with regard to this issue. I request that due water from Cauvery has to be released to Tamil Nadu. I once again request the Hon'ble Members here not to make politics in Cauvery issue. Cauvery water has to be released to Tamil Nadu immediately.

SHRI RAJ BABBAR: I would restrain my views to two important issues only. This Budget is meant only for millionaires and not for the common people. This Government had made a promise of providing 2 crore jobs per year to unemployed youth of the country, to bail out farmers from their plight, to bring back the black money and vowing revenge for killing our jawans by Pakistan. No new concept is there in the Budget for employment opportunities. Success of these start-ups and stand-ups remains doubtful. Only 4-5 lakhs jobs have been provided in place of providing 8 crore jobs. Unemployed youth in India is on the rise. MSP at 1.5 times cost is another hollow promise for farmers. There is no mention of land rent in this Budget.

SHRI V. VIJAYASAI REDDY: A great amount of injustice has been meted out to the State of Andhra Pradesh in this Budget. The Special Category Status for the Residuary State of Andhra Pradesh is a lifeline and there cannot be any substitute for it. A Special Category Status is essential for the Residuary State of Andhra Pradesh to let it develop equally with the other States which has already been left as agrarian State after the bifurcation. Creation of a railway zone, an integrated Steel Plant at Kadappa, a port at Dugarajapatnam, Vizag Petrochemical Complex, Vizag Chennai

Industrial Corridor and Metro Rail at Visakhapatnam and Vijayawada are all important issues. Only 9 out of 11 Central institutions have been established in temporary premises till date. The indebtedness by the farmers has to be addressed by the Government. Doubling of the farmers' income by 2022 remains a distant reality. Increasing the MSP promise by 1.5 times the cost is either vague or impossible. I would like to know the reasons for incorporating a rider that is the sunset clause in the proposal for exemption of agricultural income only for a period of five years when the same is totally exempted from the tax. I hope the Government will positively consider exempting it.

PROF. M.V. RAJEEV GOWDA: I congratulate the Government on funding Suburban Rail Service for Bangalore City. I have been fighting for this for many years. It will go a long way in clearing the traffic challenges in Bangalore. I am happy that the Government has adopted many of the innovative programmes set up by the Government of Karnataka. The Electronic National Agricultural Market place is a national application of our Rashtriya e-market place. The Programme to lend and rent out farmer equipment is the national equivalent of the Krishi Yantra Yojana of Karnataka Government. The solar pumps initiative is the replica of a programme of the Karnataka Government and the programme for pregnant and lactating women is a national application of Mathru Purna Scheme. In this budget, there is an extraordinarily excessive reliance on cesses. What is the logic for that and how can it be ensured that it will not be diverted? The problem with cesses is that like indirect taxes they are regressive and they hurt the poor more than they hurt the rich. It appears as if this Government has no other way except cess to raise revenues. The imposition of Road and Infrastructure Cess has nullified the impact of cut on Excise Duty on diesel and petrol. All the cess money will go only to the Central Government and the States are shafted. This Budget has seen the lowest allocation to education as a proportion of the total Budget in the last eight years. That is shameful. The Central Government should learn from Karnataka Government's Child Protection Policy. Budgetary allocations for the National Commission for Protection of Child Rights, Maternity

Benefit Scheme, National Commission for Women, Nirbhaya Funds Scheme and Beti Bachao, Beti Parhao Yojna have been reduced. The increase in Budgetary support is also inadequate for the minorities and the disabled. This Government's promises during their election campaigns and their actual practice during the Budget are all falsehoods.

SHRI SUSHIL KUMAR GUPTA, making his maiden speech, said: The Health Budget of the Central Government is 2.24 percent of the total Budget but Delhi Government has made a provision of 12 percent of its total budget for this, so that safety and health care may be provided to human lives at most. The Central Government is introducing an Insurance Policy of Rs. 5 lakh for 50 crore people but where are the Health Care Centers for this Insurance Policy? I would like to thank the Finance Minister that he copied Mohalla Clinics in the name of Wellness Centers and decided to open Mohalla Clinics throughout the country. I request to adopt the rule of Delhi Government, instead of this Insurance Policy, under which Delhi Government provides financial assistance itself to the poor patients for their treatment in private hospitals. More than 100 types of medicines are provided and more than 200 types of tests are undertaken in the Mohalla Clinics under Heart Care System of the Delhi Government. I request the Central Government to introduce the same kind of schemes in the Wellness Centers too, so that even the poorest person may undergo his treatment near his home. Even today, the women have to fall victims of discrimination in the country and the soldiers are killed at the borders. Has any concrete policy been made for them? The easiest way to it is to educate the country and spend more and more money on education. The Central Government's budget for education was 4.5 percent in 2013-14 which was reduced to 3.65 percent in 2016-17. In 2017-18, it became 3.71 percent and it is 3.5 percent in the current budget. It should be enhanced upto 24 percent like Delhi Government. Education and Health are two such media which are used by cent percent population of the country. The country's budget should not be such that it may benefit only 5 or 10 percent rich persons. Under the Right to Education Act of the Central Government, there should be a primary school after every one

kilometer and a middle school after every three kilometer but there is no school today even after 20 or 25 kilometer. Whether we want to bring such situation in the country. If such economic disparity and lack of education persists in the country, the day will come when crime will enhance in the country and rich will exploit the poor. This is causing dissatisfaction. Where this money of our country is flowing. Have you ever tried to check the same? Nothing is well today in education. Whether our martyrs had made supreme sacrifice to witness such India. Whether Bhimrao Baba Saheb Ambedkar made constitution to see this India.

This is my maiden speech. The elected government must have rights to maintain law and order in Delhi. Rape cases are being reported in Haryana. According to National Crime Report, there are number of rape cases being committed daily in Madhya Pradesh. The Government should ensure security of the people in a better manner. We have seen demonetisation and GST in the country and sealing in Delhi. Is this government against the businessmen? You had said in this House that we will bring the cost of petrol down, but the same night, petrol rates were hiked. Hon'ble Finance Minister is sitting here. You bring a scheme which can give some relief to businessmen. I want to say that tax free income for service class is still unchanged. The exemption of standard deduction should be 75,000 rupees which is 40,000 rupees at present. So far as employment is concerned, there should be such a provision in the budget which can give employment to the educated youth. You talk about MSP and Urea for farmers but farmers are not getting anything in real. Give it to them in real. One crore rupees should be given to every soldier who gives his supreme sacrifice for the country. There should be a provision in the budget ensuring employment for the children of the martyrs. A number of people are living in slum areas. They should be provided with four storey buildings, then you will get 75% vacant land.

SHRIMATI VIPLOVE THAKUR: This budget is totally flop on every front. Nobody is happy with this budget. Farmers, women, children, businessmen no one is happy because there is nothing in the budget. What is the definition of farmer? Farmer not

only cultivates wheat, millet, corn or paddy he cultivates fruits also in hilly areas. There is nothing for his loss. There should be special budget for hilly areas as infrastructural cost is five times higher there than that of plains. Budget for women has been decreased. Our soldiers are dying. What is the situation in Jammu-Kashmir? Our neighbour countries are not happy. We are opening medical colleges. But we do not want medical colleges without facilities. There is a provision of penalty if you do not maintain minimum balance in the bank. What is the mistake of the poor? Now GST has been imposed on the penalty. GST will be imposed on Pradhan Mantri Awas Yojna also. This is not a way to run the government. People are not happy with you.

SHRI ASHOK SIDDHARTH: This budget is not in the favour of poor people, labourers, students, youth and unemployed persons. Particularity nothing has been done in this budget for Dalits and tribals. This situation is almost same for farmers and women too. For the respectful life of Dalits, nothing has been mentioned in the budget. The budget provisions, which are earmarked for the Dalits and tribals, are more or less depend on the mercy of the government. Provisions must be made in the budge for Dalits and Tribals.

SHRI ANANDA BHASKAR RAPOLU: I express my anguish for reducing the Budgetary support to the handloom weaving sector from Rs.600 plus crore to Rs.300 crore. Being the son of the Other Backward Classes, I express my anguish about your insensitivity to our demand to have the OBC Sub-Plan. Being the son of Telangana, I would like to flag before you that Telangana is being deprived of the provisions that are supposed to be provided through the enactment. At this juncture, my brothers and sisters of Andhra Pradesh are in agitation. Yesterday, they observed total bandh. My colleagues in both the Houses are standing in the Well and expressing their anguish. You have to assuage them by giving a new type of special status to Andhra Pradesh State. Otherwise, it will take the shape of a movement which will become a bigger problem in times to come. You understand the gravity of the turmoil that is brewing all across the country. Your GDP is not being believed. Your arithmetic

is not being believed. GDP calculation is not going to give you the necessary assessment and it will not indicate the progress and development. Doubts are looming large about the calculations of the GDP. I would like to urge upon the Union Government to have federalism in a proper form. You are not taking the State Governments on board while considering the requirements and the expectations of the State.

SHRI RIPUN BORA: In the Budget, the Finance Minister has very loudly and very proudly said that this is a Budget for the poor. My questions are: what steps has the Budget taken for increasing the purchasing power of the people? What steps has the Budget taken to control the sky-rocketing prices of all commodities? You have cut the circulation of money by demonetization and by cashless economy. So, now, how will this purchasing power increase? So far as the price rise is concerned, I will only mention about the petrol prices. The crude oil price has come down to the level of 2004 but in spite of that the petrol price is here approximately Rs. 73 to Rs. 75 per litre and the diesel price is Rs. 64 to Rs. 65 per litre. This Government during their three-and-a-half years of tenure raised the excise duty by nine times and as a result, we the common people are suffering because of the sky rocketing prices.

THE MINISTER OF FINANCE AND THE MINISTER OF CORPORATE AFFAIRS (SHRI ARUN JAITLEY), replying to the discussion, said: With regard to Andhra Pradesh, several commitments have been made in the Andhra Pradesh Reorganisation Act. Some of these commitments have been implemented and some work is in progress. Many institutions have been created in the State of Andhra Pradesh. Monies for the creation of the capital and for the Backward Districts has been given. There are certain pending issues which is also work in progress. The Central Government had agreed to give a special assistance to the Government of Andhra Pradesh for a period of five years. The alternative method discussions have reached a very advanced stage and a solution is likely to be finalized soon. As far as other issues are concerned, all the concerned Ministries have been asked to look into these matters. During previous regime of UPA

Government, there was a boom in the global economy itself because of which India was also benefiting. The UPA Government had started two important programmes MNREGA and the Right to Food. The NDA, had already provided an amount of Rs. 55,000 crores in the Budget itself. The UPA was never able to spend the full allocated money. The way the nation is progressing during the last 3-4 years is creating a history itself. For poverty elevation, you will find many entries the budget which try to move in the direction of progress one after another. With regard to Aadhar, there was a divided opinion in your Government. Even today, it is not clear whether you are in its favour or not. Much has yet to be done in the field of employment, agriculture and education. The Chief Economic Advisor is realistic in writing that we have a lot of distance still to cover in these areas, but the impression was created as though these are the three problem areas created in the last four years! In 2012-13, the GDP growth under UPA was 5.3 per cent, lowest in the recent years. In 2013-14, it was 6.3 per cent. We lost one quarter GDP because of GST and because people were destocking, manufacturing came down and it became 5.7 per cent. The Current Account Deficit was at unacceptable level during your regime. In April, 2013 you created a new record of 10 per cent borrowing rate. After demonetization, interest rate returned to 6.19 per cent. You breached the fiscal discipline.

The previous government maintained consistently a high level of fiscal deficit at 5.9 per cent, 4.9 per cent and 4.5 per cent. It is true that we could not achieve the target of 3.2 percent this year as per our promise, but it is due to implementation of GST and the government will get the GST for the month of March in April only. The revenue deficit was always above 4 percent during the tenure of the previous government and it is coming down slowly in our time. This government has achieved fiscal deficit target despite spending more in the last years. You cannot cut down expenditure on repayment of interest, payment of salaries, pension, developmental expenditures, etc. No one can foresee the fluctuating prices of crude oil. Our tax net has increased now and demonetisation, GST and campaign against black money have also played a role in it, the people will be benefited

in the time to come. It is not that our revenue expenditure has increased, but every state has been constitutionally guaranteed growth of 14 percent under GST and as this is given through Centre, therefore it has been entered in the revenue expenditure. The special CVD and additional duty on customs has been subsumed under GST and this has shown reduction in custom duty whereas GST increases accordingly. The anti-evasion measures will be added one by one in this year and it will increase GST collection. The banks are going to be recapitalised by more than two lakh thousand crores of rupees in the present and next financial year which will increase their lending capacity. The erstwhile government only had advocated for reduction in corporate tax to 25 percent in their Direct Tax Code.

For the MSME it is going to be Rs. 250 crores, the reason why we limited it is because it also depends on how much the Budget can afford. This covers 99 per cent of the companies. The MSME sector is the largest job-provider in the country. The small scale and medium scale can't compete with large scale. The truth is that those 7,000 companies enjoy a lot of exemptions. The small scale companies are paying tax at 30 per cent- 34 per cent, they should be brought to above 25 per cent, so that sector creating jobs, helps in itself. The Congress Party presented the Direct Tax Code, and they mooted the idea of the 25 percent. You will change your stand on Aadhar, GST, Corporate Tax, then there is no consistency with regard to economic policy. Last year, the exemption was given to the companies with turnover up to Rs. 50 crore turnover. This time it has been raised up to Rs. 250 crore turnover. The total amount of revenue forego on this is about Rs.7,000 crores. We have a whole package as far as senior citizens are concerned. The interest rates are gradually being coming down. It is in the larger interest of the economy that interest rates come down but senior citizens depend on interest for livelihood. We have exempted a large part of that income from income tax. I have mentioned some data which shows that the salaried class is an honest taxpayer. Bringing standard deductions back, in years to come, will help them. Another important item is regarding the long-term capital gains. There was a time when it was

necessary that the investment into the stock market needed to be incentivized. The equity behind the policy of exempting the wealthiest from payment of tax was itself a question and, therefore, we have put a ten per cent tax as far as long-term capital gains is concerned. It has been observed that even if MSP is fixed, still MSP is not received in the Market, it is reality. The farmers should get the MSP. Once, the farmers will start getting their rightful amount, and when it will become a tradition for different crops, then I feel that for the forthcoming Governments, it will become a benchmark. As far as health insurance scheme is concerned, I have seen schemes of all the States. There lies a fundamental principle, even if the number is too large, the hospitalization of the people remains limited. If the number is too large, then per capita premium comes down on its own. The NITI Aayog has prepared an initial assessment of it. I am fully confident that we will succeed in fully implementing it within a year. We should let the NITI Aayog coordinate this with the States. I am sure every State will be interested in the effective implementation in its own State. We will make every endeavour to work in that direction.

0.1 per cent cess or surcharge is not a tax. It is one per cent surcharge on the quantum of tax which being charged across the board. This is necessary to fund social welfare schemes. Starting landmark health scheme, the money has to come from somewhere. Defence expenditure cannot be cut for starting a social welfare scheme. A small contribution is a part of citizens' duty. Certainly, we have the interest of Telangana and Andhra Pradesh in mind because they also have certain rights under the Reorganisation Act. Most of the issues have been implemented and in some issues, the work is in progress. We will ensure it is done expeditiously. APMC Act has already been sent to the States for their adoption. Regarding fixed-term employment, it was offered in the textile sector, and, it is being made available in leather and other sectors. Some of these are seasonal.

About the GST on gold and diamonds, I am glad that you are concerned about the wealthy people and their commodities. Each one of us should not claim to be an expert on the calculation of the tax.

There are many considerations in this regard. In the case of gold, one of the traditional factors was that gold almost went untaxed in this country .But there has to be some accountability, and, therefore, after due consideration, the GST Council, after merging all the taxes, put three per cent tax on gold. Diamonds, will be taxed at the same rate but which are independently traded, there is a very nominal amount. Now, as far as the Namami Gange is concerned, there are projects which have been identified and we will see the change in the quality in the coming years. Two-and-a-half thousand crores have already been given for the capital in Amravati. As far as tax demands are concerned, The Income Tax Department will take every step to recover it and probably not leave a penny.

Discussion concluded.

OBSERVATIONS BY THE CHAIR

MR. CHAIRMAN: I am saying this with a heavy heart. I hope everybody understands it. We are coming to the end of the first part of the 245th Session of the Rajya Sabha today and we shall be meeting again after about a month to continue our discussions on the Budget. I must confess that I am deeply pained at the way this Session has progressed. As the Chairman, it is my responsibility because at the end of the day, I am accountable to the people. They will see how the House is conducted, how discussions have gone on. What I am deeply disturbed with is the utter disregard for the parliamentary procedure and the unruly behavior so unbecoming of the high position we occupy in the society as parliamentarians. Dear Members, the question I have been asking myself, and probably many Indians watching us on the television screens would be thinking of, is this: Can we ever make our Parliament an effective instrument of change through informed debates, constructive criticisms and orderly proceedings? I was hoping that we shall collectively strive to maintain the dignity, sanctity and supremacy of Parliament as we had pledged in 2012 to commemorate the 60th Anniversary of the sitting of the Parliament. I shall still keep hoping that we shall exercise the necessary restraint and behave with

appropriate severity and dignity. I find it a sad commentary on the functioning, that we have lost nearly ten hours during this brief Session due to disruptions and forced adjournments. We could not have Question Hour on five days and there was also no Zero Hour on five days.

Dear Members, we certainly should not go in this manner any longer. I appeal to each one of you, please consider this as a sacred institution which should reflect the hopes and aspirations of 130 crore people. This is not aimed at any party--this party or that party. As far as the Chair is concerned, I am concerned about the House. It is an institution that decides the destiny and charts the direction of national development. That is why people have high hopes on us. We are so privileged to be in this House because of the people's trust on us. We must use the opportunity wisely by debating, discussing and evolving solutions to a vast number of public concerns. Let us not have slanging matches between parties and stoop down to competing with each other on unparliamentary language or behavior. When we meet again in March, it is my fervent hope and an earnest appeal to each one of you that we shall turn a new leaf in our Parliament's history through orderly, informed and constructive debates.

Hon. Members, over the last few days, I have been telling the floor leaders of the quality of the debate on the Motion of Thanks to the President, whether from this side or that side, and I am very much impressed the way the debate was initially conducted and the contribution made positively from that side and also critically from this side in their own way. They have got every right and we have such good Parliamentarians here, who are articulate and have the capacity to argue and also to put forth their point of view. That being the case, when we have such talented material on all sides, why should we lose the opportunity to have the debate? That is my only concern. All other things about individual actions and all, that I am not going to make any comment. And whatever has happened, that has been clarified in the morning. So I am not even touching that. Then, some people have given notice. That notice has been taken note of. That has been already announced. There was some mention about Rajya Sabha

telecast by Shri Derek O'Brien. That also has been inquired into and a report, as has been given, has been sent to hon. Member also. There was some power failure. So, hon. Members, I only request every one of you, please keep the prestige and the decorum of this august House. We are supposed to be the Elders. So, keep that in mind and respond in such a manner so that the prestige of the House goes up. I feel that such an atmosphere, quality debates, will become a regular feature like we had in the recent past. This is the only thing.

STATUTORY RESOLUTION

Increasing Rate of Basic Customs Duty (BCD) on Chana (Chickpeas) - *Contd.*

The Resolution was adopted.

Desh Deepak Verma,
Secretary-General.

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**ERRATA TO THE SUPPLEMENT TO SYNOPSIS OF DEBATE
DATED 07TH & 08TH FEBRUARY, 2018 AND THE SYNOPSIS
OF DEBATE DATED 08TH & 09TH FEBRUARY, 2018**

Page No.	Line No.	Correction
90	28	Delete the line.
95, 105	1, 7	Read 'UNION' for 'UNDION'.
115	7	Insert 'among' after 'comparison'
119	10	Read 'UNION' for 'UNDION'.
129	30	Read 'for' for 'of'.