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Title: Introduction and passing of the Appropriation (No. 4) Bill, 2013.

MR. CHAIRMAN : The House will now take up Item No. 9. Now, the hon. Minister.

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): I beg to move for leave to introduce a Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 2013-14.

MR. CHAIRMAN: The question is:

"That leave be granted to introduce a Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 2013-14."

The motion was adopted.

SHRI P. CHIDAMBARAM: I introduce** the Bill.

MR. CHAIRMAN: Now, the House will take up Item No. 10. Hon. Minister.

SHRI P. CHIDAMBARAM: I beg to move:

"That the Bill to authorise payment and appropriation of certain further sums from and out of the consolidated Fund of India for the services of the financial year 2013-14 be taken into consideration. "

MR. CHAIRMAN: The question is:

"That the Bill to authorise payment and appropriation of certain further sums from and out of the consolidated Fund of India for the services of the financial year 2013-14 be taken into consideration. "

The motion was adopted.

16.00 hrs.

MR. CHAIRMAN : The House will now take up clause-by-clause consideration of the Bill.

The question is:

"That clauses 2 and 3 stand part of the Bill."

The motion was adopted.

Clauses 2 and 3 were added to the Bill.

The Schedule was added to the Bill.

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

MR. CHAIRMAN: The Minister may now move that the Bill be passed.

SHRI P. CHIDAMBARAM: I beg to move:

"That the Bill be passed."

MR. CHAIRMAN: Motion moved:

"That the Bill be passed."

SHRI YASHWANT SINHA (HAZARIBAGH): Sir, the Minister has raised a very important issue and that should not go without that issue being joined from this side.

That issue is this. He said that he has looked at the figures of the growth rates in the various States. He has said that 'out of all the States in India, there are only two States where the growth rate is less than five per cent.'...(*Interruptions*)

We know that the CSO is not a very creditworthy or credible organization because they have revised the industrial figures, for instance, twice within one month. There are many other examples of the CSO not giving out correct figures of production of various items. But the point that the Minister has made, will unnecessarily raise doubts in the minds of the observers of the growth rate because the Minister knows as well as most of us do, that the country's growth rate is not merely the aggregate of the States' growth. It is much more than that.

Who calculates the foreign trade, for instance? The States do not. But when you are looking at the growth rate of the whole country, you include the foreign trade. Who calculates the financial sector growth rate? The States do not. It is the country as a whole where the financial sector growth rate is also there. There are a large number of services, for instance, which is the major part of the economy today. That also is not captured by the States' figures. That is captured by the All India figures. So, let not the impression be created that the India's growth story is merely an aggregate of the States' growth rate. It is much more than that. That impression should not go.

SHRI P. CHIDAMBARAM: I did not say that.

SHRI YASHWANT SINHA : That impression should be clarified.

The point, which my distinguished colleague Shri Ananth Kumarji, who initiated the debate, was raising that the Finance Minister gets a lot of clapping when he compares the growth rate of the NDA period with the growth rate of the UPA period.

SHRI P. CHIDAMBARAM: Why not?

SHRI YASHWANT SINHA : Why do they not come out and say, what was the rate of inflation in our time and what was rate of inflation in their time?

You always duck that figure. If you have the courage, come out; and let us compare it.

PROF. SAUGATA ROY (DUM DUM): Sir, I was not fortunate to have the Finance Minister in the House when I had a chance to speak. That is why, the Finance Minister being suave as he is, normally avoids the questions, which may be tricky.

I raised, in a very humble way, the demand of the West Bengal Government for a moratorium on the interest payment. I have been raising this question for the last one year in the House and I have not got a reply so far.

I would like a response from the Minister, however brief, to this question.

Secondly, a very small point I had raised that what actually is the direction of the Government's economic policy. Is it to increase growth? Is it to control inflation? Is it to reduce the fiscal and the current account deficit? The signal we are getting at different times from the Government is that on the one hand they want the corporates to grow, they want the FDI and FII to come in and on the other hand they are saying that they will go for the Food Subsidy Bill which we all supported and which everybody says will lead to further deficit.

MR. CHAIRMAN : You made your point. That is fine. Now, Shri Gurudas Dasgupta.

PROF. SAUGATA ROY : This deficit is not only now. Sometimes, there are statements from the Government that the fiscal stimulus given in 2008-09 is leading to larger fiscal deficit today, which is blaming the former Finance Minister who is now in an exalted position. I have not got a clear answer from the Minister.

MR. CHAIRMAN: All right, you made your point.

PROF. SAUGATA ROY : I do not know whether he will give the answer but I am putting this question.

SHRI GURUDAS DASGUPTA : Sir, I am sorry that I have to put a very fundamental question. Every time we listen to the Finance Minister or we listen to a statement of the hon. Prime Minister, it is being said that some people are generating pessimism. Pessimism is not the word to be attributed to the Members of the Opposition. Pessimism is the word to be attributed to the concern that is being expressed in all quarters. Whether pessimism is wrong or not but artificial optimism is also equally wrong.

SHRI ANANTH KUMAR : It is suicidal.

SHRI GURUDAS DASGUPTA: It is also wrong. Let us call a spade a spade. While I was speaking, the last line I said was that India has enough. India, as a nation, is not believing in the confidence, in the ability of the political establishment but believing in the resilience of the nation. I say that India has enough capacity to fight back. Has the hon. Minister forgotten it? It is because he generally forgets other speeches and only remembers his speeches. He can consult the notes please. Therefore, there is no question of pessimism. But the question is, let us know what the reality is. If the disease is not diagnosed and if the doctor artificially says, no, the patient is much better than earlier, then there will be no treatment for that.

MR. CHAIRMAN: Please sum up now.

SHRI GURUDAS DASGUPTA : Sir, I believe the political establishment of the country, since the election is approaching, is believing that if we say that pessimism should not be the concern, they are hiding the truth. How can there be increased growth in a State where agriculture is declining?

MR. CHAIRMAN: All right, please conclude.

SHRI GURUDAS DASGUPTA : Please give me half-a-minute.

Core sector is declining. Index of industrial production is declining. Even the service sector is at the lowest. In such a situation, the hon. Minister falls back upon some total bull stories. I am using the words 'total bull stories' about the so-called growth indices....(*Interruptions*)

MR. CHAIRMAN: Now, the hon. Minister.

SHRI P. CHIDAMBARAM: Sir, I am grateful to the three hon. Members....(*Interruptions*)

MR. CHAIRMAN: Hon. Members, please be seated.

Now, the hon. Minister

...(*Interruptions*)

MR. CHAIRMAN: Only the Minister will speak now. Hon. Members, please be seated.

SHRI P. CHIDAMBARAM: Sir, I am grateful to the three hon. Members, who made some brief comments at the Third Reading stage. I do not dispute Shri Yashwant Sinha's statement that CSO's calculations take into account certain factors other than what the State calculations take. That is why, I said it very carefully. I chose my words very carefully. I am not placing any value judgement. All I am pointing out is that many States are reporting growth rates for the State GDP, which not only captures both - agriculture and industry - but captures services also. The rates are much higher. Therefore, I wish you look into those numbers as well as the CSO's numbers. The CSO corrects the numbers from time to time. The final number comes only after about 18 months or so, which is then the number which is used for all purposes in the future. We

should look into that. I was using it to say that there is no reason to believe that all is doom and gloom and pessimism. It was that limited point that I was making by that statement.

As regards Prof. Saugata Roy's question, although it does not fall quite within the scope of the Supplementary Demands, since he has repeated his question, let me point out that 13th Finance Commission recommended a total resource transfer of Rs.1,17,997 crore, including devolution of taxes to the State of West Bengal, which is approximately 132 per cent higher than the recommendation of the 12th Finance Commission. Against this amount, an amount of Rs.53,585 crore, including devolution of taxes has been released to the State during the period 2010-11 till date.

To address the developmental needs of the State, a special multi-layer assistance amounting to Rs.8,750 crore, under BRGF, has been agreed to in 2011-12 and an amount of Rs.2,904 was released till 31.03.2012.

Central assistance to West Bengal provided under CSS schemes, Central assistance for State Plan and direct transfer to agencies has shown an increase of 34 per cent from Rs.13,843 crore in 2010-11 to Rs.18,571 crore in 2011-12. A Structural Adjustment Loan from the Asian Development Bank amounting to \$400 million has also been facilitated to ease the resource position of the State.

The State has thus been supported through sufficient Central fund. The 14th Finance Commission has since been constituted. Keeping in view the debt level of States like West Bengal and some other States, a special term of reference has been added, of which I read the relevant portion "the Commission should review the state of the finances, deficit and debt levels of the Union Government and the States, keeping in view, in particular, fiscal consolidation roadmap recommended by the 13th Finance Commission."

Paragraph 6, sub-para 3 of the notification provides that the resources of the State Governments and the demands on such resources under different Heads, including – please mark these words – the impact of debt levels on resources availability in debt stressed States for the five years commencing from 1st April, 2015 on the basis of levels of taxation and non-tax revenues likely to reach during 2014-15, shall be taken into account. Once the Report of the 14th Finance Commission is available, further steps can be taken.

Finally, Sir, there was a point made by Mr. Gurudas Dasgupta, which I have answered. Sir, it is not that I allege that anyone is spreading pessimism; all I am saying is that we should not spread gloom and pessimism. We can debate which is the best medicine for the stress that we face today. But, I believe that medicines that UPA-I and UPA-II have in their dispensaries are far better than the medicines that my friend's Party had when they were in the State Government.

Finally I want to say that we are very fond of Shri Ananth Kumar. There is no reason why he should be agitated or aggrieved. I only missed his presence when the debate was going on. We are very fond of him. In fact, the treasury benches are extremely fond of him. In fact, he has done more for our victory in Karnataka than anyone else!

MR. CHAIRMAN: The question is:

"That the Bill be passed."

The motion was adopted.
