

12.00 Noon

SHRI MANOHAR PARRIKAR: We have already decided that whatever... *(Interruptions)*... We are setting up a Memorial, for which foundation will be laid on the 27th. We are going ahead with the programme on the land which is already in our possession. ...*(Interruptions)*... Design has been finalised and we are not waiting for the additional land. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: You have to only give an assurance. Sit down. ...*(Interruptions)*... He has already explained. ...*(Interruptions)*... Mr. D. Raja, you start. ...*(Interruptions)*...

SHRI A. NAVANEETHAKRISHNAN: Sir, Amma has declared Dr. Kalam's birthday as the 'Youth Inspiration Day'. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: What are you doing? ...*(Interruptions)*... You are not the Minister. Mr. Raja, please start. ...*(Interruptions)*...

SHRI D. RAJA: Sir, you should protect us. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Repeat the notice tomorrow. ...*(Interruptions)*...

ORAL ANSWERS TO THE QUESTIONS

MR. CHAIRMAN *in the Chair*.

Annual special grant to Tamil Nadu

*16. SHRI T. RATHINAVEL: Will the Minister of FINANCE be pleased to state:

(a) whether State Government of Tamil Nadu has made a demand to enhance the annual special grant to Tamil Nadu to ₹ 2,000 crores in each of the remaining four years of the 14th Finance Commission award period upto 2019-20;

(b) if so, the steps taken by Government in this regard;

(c) whether State Government has communicated that it has a ready shelf of large projects that could be funded out of this special allocation including comprehensive special package for diversification of fisheries, desalination projects and several infrastructure projects under vision Tamil Nadu 2023; and

(d) if so, steps taken by Government thereon?

THE MINISTER OF FINANCE (SHRI ARUN JAITLEY): (a) to (d) A Statement is laid on the Table of the House.

Statement

(a) Yes, Sir. The Chief Minister of Tamil Nadu has requested that the annual special grant to the State of Tamil Nadu may be enhanced to Rs. 2,000 crore in each of the remaining four years of the Fourteenth Finance Commission (FFC).

(b) to (d) The FFC transfers to the State of Tamil Nadu is estimated to increase by 122% and the State is set to receive ₹ 1,79,273 crore (including ₹ 1,59,450 crore on account of share in Union Taxes) during 2015-20 as against ₹ 80,944 crore (including ₹ 70,825 crore on account of share in Union Taxes), it had received during award period of 13th FC. Accordingly, on an average, the State of Tamil Nadu is estimated to receive ₹ 35,855 crore annually during 2015-20 towards award of 14th FC as against ₹ 16,189 crore, it had received annually during 2010-15. Besides, there are other channels of transfers such as Central Assistance to State Plan (CASP), Centrally Sponsored Schemes (CSS) and Central Sector Schemes through which Central Assistance to the State is provided. Thus, there are sufficient funds available with the State specially in the form of untied fund (devolution of Union Taxes) being received by it due to biggest ever increase in States share in shareable pool of Union Taxes from 32% to 42%. This in turn would allow the State to have greater autonomy in designing and financing the schemes (including shelf of projects of Fisheries, Desalination etc., mentioned the memorandum received from Tamil Nadu) as per their contextual needs and requirements. Hence, the State can prioritize its requirement within the additional fiscal space available to it.

MR. CHAIRMAN: Please sit down. Question Hour. Question No. 16. ...*(Interruptions)*... Question No. 16. ...*(Interruptions)*... Is the questioner in the House? Yes. Let it be answered.

SHRI T. RATHINAVEL: Sir, in his reply, the hon. Finance Minister has accepted that the Tamil Nadu Government has requested that the annual special grant to the State of Tamil Nadu may be enhanced to ₹ 2,000 crore in each of the remaining four years of the Fourteenth Finance Commission but the hon. Minister has not said anything whether the Government has accepted the demand of our hon. Chief Minister, Dr. Puratchi Thalaivi Amma. So, I would like to know from the hon. Minister the views of the Government in this regard.

SHRI ARUN JAITLEY: Sir, in reply to parts (b) to (d) of the question, I have given the details of the funds which are being made available to the State of Tamil Nadu during the period of the Fourteenth Finance Commission, and, therefore, under various heads, the details of the funds, which have been made available to the State, have been clarified. Now, those funds provide a reasonable amount of fiscal space to

the States to spend the amount for the particular projects that the State has. Now, after the allocation of funds by the Finance Commission, there are no loose, untied funds which are with the Centre, which can be allotted over and above that, and, therefore, within the space, which is now available to the States, the States will have to provide for various expenditures that they want.

SHRI T. RATHINAVEL: Sir, the State of Tamil Nadu was singled out for the sharpest reduction in its share in the divisible pool of taxes. As against 4.969 per cent share in the divisible pool of central taxes recommended by Thirteenth Finance Commission, Tamil Nadu's share had come down to 4.023 per cent in the latest Fourteenth Finance Commission's recommendations. The unbalanced formula adopted by the Fourteenth Finance Commission has treated Tamil Nadu most adversely. The reduction in the interse share of Tamil Nadu of 19.14 per cent represents the biggest loss in share amongst all States. Tamil Nadu has been doubly penalised for its prudent fiscal management as it has not received revenue deficit grants.

MR. CHAIRMAN: Question please.

SHRI T. RATHINAVEL: Therefore, I would like to know from the hon. Minister whether the Government is considering to suitably compensate the State Government of Tamil Nadu, as demanded by our hon. Chief Minister, Dr. Puratchi Thalaivi Amma, in her representation...

MR. CHAIRMAN: It is a question, not a statement.

SHRI T. RATHINAVEL: ...to our hon. Prime Minister on 14.6.2016.

SHRI ARUN JAITLEY: Sir, each Finance Commission evolves its own criteria after hearing the views of various State Governments, the Central Government, and also after taking various factors into consideration. The Thirteenth Finance Commission had followed particular criteria where there were five or six relevant factors. Now, the Fourteenth Finance Commission, as against the fiscal capacity distance, has given greater importance to the income distance. So, it is a slightly different criterion on the basis of which these kinds of changes have occurred.

But if my learned friend goes into these details, he will find that in absolute terms, the net amount — which has been allotted to the State of Tamil Nadu for the period starting from 2015 to 2020, which is the period of the Fourteenth Finance Commission — itself has increased by 122 per cent. So, there is a significant increase which has taken place, though he is absolutely correct that in terms of percentage of allocation, there is a slight decline.

SHRI RIPUN BORA: Sir, I want to say to the hon. Finance Minister that on the plea of recommendation of the Fourteenth Finance Commission, the Centre has discontinued the 'special category' status to the State of Assam and other NE States, and, at the same time, the 90:10 funding pattern to Assam and other NE States. There has been very widespread resentment and protest all over the North-Eastern Region. Recently, hon. Prime Minister visited Meghalaya. And he declared in front of all the Chief Ministers of the North-Eastern States that the 'Special Category States' status would be restored and the 90:10 fund system would also be restored. Now, I want to know from the hon. Minister what is the status of the commitment of the hon. Prime Minister.

MR. CHAIRMAN: This is a question on Tamil Nadu. Would you wish to react to it?

SHRI ARUN JAITLEY: I will only tell the hon. Member that there is a particular change of methodology and also the mode of assisting the States. Now, there is a categorization of the hill States, the North-East States, for which special treatment has been given by the 14th Finance Commission. In addition, the States have been given a much higher allocation; instead of 32 per cent, it becomes 42 per cent. So, the net available to almost every State is much higher under the 14th Finance Commission than it was earlier. If you take what has been reduced and then take the net total along with what has been added, the net that every State gets under the 14th Finance Commission is much, much higher than what it was getting under the 13th Finance Commission.

SHRI RIPUN BORA: Sir, I come from North-East and ...(Interruptions)...

MR. CHAIRMAN: No, no; please. This is not a discussion. Now, Shri Naresh Agrawal.

श्री नरेश अग्रवाल: माननीय वित्त मंत्री जी, आपने यह स्टेटमेंट दी थी कि फाइनेंस कमीशन ने राज्यों को हर बार से ज्यादा पैसा दिया, जबकि राज्यों ने इसमें मतभेद किया। यूपी ने भी इस पर मतभेद किया कि हमको कम पैसा मिला है। प्रोसीज़र यह है कि फाइनेंस मिनिस्टर राज्य में जाता है, राज्य सरकार से उसकी डिमांड सुनता है, उसके बाद फाइनेंस कमीशन तय करता है।

श्री सभापति: आप भी डिबेट कर रहे हैं।

श्री नरेश अग्रवाल: मैं in general कह रहा हूँ।

MR. CHAIRMAN: The question is on Tamil Nadu.

श्री नरेश अग्रवाल: मैं आपसे दो चीज़ें in general पूछ रहा हूँ। राज्यों की डिमांड के बाद फाइनेंस कमीशन किस मानक पर यह तय करता है कि राज्यों को कितना रूपया मिलना चाहिए और अगर किसी राज्य को स्पेशल कैटगरी का घोषित करना हो, तो उसके लिए क्या मानक हैं?

श्री अरुण जेटली: देखिए, फाइनेंस कमीशन हर राज्य के अंदर जाता है, हर राज्य की सुनवाई करता है और राज्यों की जो आर्थिक क्षमता है, उसके आधार पर फिर अपना क्राइटीरिया तय कर लेता है। जैसे, 14th फाइनेंस कमीशन ने जब तय किया, तो उसमें यह था कि हर राज्य की जनसंख्या कितनी है, क्योंकि जनसंख्या के आधार पर भी एलोकेशन के मामले में एक न्याय होता है, उसका भौगोलिक एरिया कितना है, उसके अंदर demographic change, जनसंख्या में परिवर्तन कितना आया है, उसके अतिरिक्त income distance कितना है, उस राज्य के संदर्भ में income inequality किस प्रकार की है। इस बार एक नया क्राइटीरिया आया कि उस राज्य में फॉरेस्ट कवर कितना है, जो पिछले 13th फाइनेंस कमीशन में नहीं था। उन्होंने अपने ये सारे क्राइटीरिया बनाए और इनके आधार पर उन्होंने यह तय कर लिया कि हर राज्य को कितना मिलना चाहिए। मुझे लगता है कि कई बार कुछ ऐसे आइटम्स थे, जैसे सेंट्रल की sponsored schemes थे, उनके संबंध में उन्होंने एक रिकमंडेशन दिया। केंद्र सरकार ने यह तय किया कि नीति आयोग राज्यों के मुख्य मंत्रियों की एक कमिटी बनाए और उस सिफारिश के ऊपर पुनर्विचार करे। जो मुख्य मंत्रियों की कमिटी बनी, उसने सर्वसम्मति से यह फैसला दिया कि कई स्कीम्स ऐसी हैं, जिन्हें सेंटर सौ फीसदी सपोर्ट करेगा, कई स्कीम्स ऐसी हैं, जिनमें 60 फीसदी केंद्र देगा और 40 फीसदी राज्य सहयोग करेंगे। चंद मात्रा में कुछ स्कीम्स ऐसी थीं, जो केवल राज्यों में चली जाएंगी। अगर हम इन सबको टोटल कर लें तो कुछ स्कीम्स के तहत आधार कम हुआ, पैसा कम हुआ, साधन कम हुए, लेकिन 32 को 42 करना और किसी आधार पर ज्यादा हुआ, जैसा कि तमिलनाडु के साथी ने पूछा कि उनकी परसेंटेज कम हुई, लेकिन absolute term में उनको ज्यादा मिला। पैसों का जो ट्रांसफर हुआ, उसमें राज्यों का अगर कुल योग बना लें, तो सन् 2014-15 में 13वां फाइनेंस आयोग लागू था, सन् 2015-16 में जब 14वां फाइनेंस कमीशन आ गया, तो दोनों वर्षों के बीच में राज्यों को जो साधन गया, वह 1,88,000 करोड़ के करीब अतिरिक्त था। इसलिए कुल मिलाकर राज्यों को अधिक मिला। एकाध राज्य ऐसा कह सकता है कि इस फॉर्मूला के ऐप्लिकेशन में उसको तकलीफ हुई, तो नीति आयोग के पास कुछ साधन रखे गए थे, जिनमें से फिर उनकी अतिरिक्त सहायता करने का प्रयास किया गया।

SHRI T. K. S. ELANGO VAN: Sir, I wish to know from the hon. Minister of Finance whether the States' share, which, I think, is 42 per cent today, will be increased to 50 per cent as recommended by the Fourteenth Finance Commission. Today, the major share of revenue comes from service tax which is neither in the State List nor in the Union List nor in the Concurrent List. It is taken away by the Centre because the Constitution says that anything which is left out in these three Lists shall go to the States. So, I want to know whether the Centre has any intention to increase the share to 50 per cent.

SHRI ARUN JAITLEY: Sir, as far as the Fourteenth Finance Commission is concerned, till the year 2020, it will be 42 per cent. The Centre also needs funding, because a large part of what the Centre gets goes to the States. Besides this 42 per cent for the Centrally-Sponsored Schemes, out of the Centre's share of 58 per cent, a lot of assistance goes to the States. Some of the States, which don't have adequate

resources, get the money. But as far as service tax is concerned, the States don't get a share. The sooner you pass the GST the better it is for the States except through devolution. Because the States will then start getting the service tax.

*17. [The questioner (SHRI T. K. RANGARAJAN) was absent]

Discontinuation of resettlement courses for jawans

*17. SHRI T. K. RANGARAJAN: Will the Minister of DEFENCE be pleased to state:

(a) whether Government has withdrawn resettlement courses, used to equip Jawans for a civilian job; and

(b) if so, the details thereof?

THE MINISTER OF DEFENCE (SHRI MANOHAR PARRIKAR): (a) and (b) A Statement is laid on the Table of the House.

Statement

(a) and (b) No, Sir. The Resettlement training courses for Jawans were temporarily put on hold to align the courses to the new norms of the Government on skill development. It has already been decided to recommence the Resettlement courses.

MR. CHAIRMAN: The questioner is absent. Let the answer be given.

SHRI ANANDA BHASKAR RAPOLU: Respected Chairman, it seems the Defence Minister is very generous. His name itself is "*Manohar*" one who can win hearts. The initiative of the Congress-led UPA for One Rank, One Pension is coming to be a reality. ...(Interruptions)...

MR. CHAIRMAN: What is the question?

SHRI ANANDA BHASKAR RAPOLU: I am coming to that.

MR. CHAIRMAN: No, no. Do come to the question.

SHRI ANANDA BHASKAR RAPOLU: Since it is the issue of resettlement of jawans, I am drawing the attention of the Defence Minister towards the destitute jawans who are not getting a proper pension - either old age monthly pension or medical pension. Are you going to look into this and do justice to those who are waiting for this through the Kendriya Sainik Board or other measures?

SHRI MANOHAR PARRIKAR: Sir, first, I would like to correct the interpretation of my name. It is "*manoharan*," not heart. His question does not relate to resettlement. But I would look into whatever difficulty he can bring to my notice.