

Sir, the hon. Member asked about the rejections. Rejections that have been so far made would be supplied to the hon. Member separately.

The other part of his supplementary is whether the need for the National Export Insurance Fund was felt because of these rejections. I must say, Sir, the National Export Insurance Fund has nothing to do with rejections. The need for the National Export Insurance Fund was felt to cover medium-term and long-term insurance risk. At the moment, ECGC is covering short-term insurance risk. Especially, for medium and long-term insurance risk, which do not have reinsurance coverage, now that reinsurance cover is available to them at good prices.

DR. AKHILESH DAS: Sir, our biotechnology industry has the potential to be a global leader for supplying novel technologies and products to health and agriculture sectors. Indian pharmaceutical companies also have, time and again, declared their preparedness to produce drugs of international standards and to meet the challenges of new patent regime. In view of these facts, may I know what special support by way of credit guarantee is proposed to be extended to these sectors to promote export of above products?

SHRI KAMAL NATH: Sir, the pharmaceutical sector is a very important sector. During the course of today, when we discuss the Patents (Amendment) Bill, I will have an opportunity to highlight the importance of it.

The other thing is, it has exported this year to the tune of Rs. 16,000 crores. So, we are considering this as a very major growth sector which can have quantum jumps in the coming years. The Export Credit Guarantee Corporation, within its existing policy covers the short-term risk. I don't think that the pharmaceutical sector will be going into project-exports for which the Fund has been created. But the ECGC in itself, today, would be equipped to deal with pharmaceutical exports very easily.

New Commission for Centre-States relations

*304. DR. T. SUBBARAMI REDDY:†

SHRI GIREESH KUMAR SANGHI:

Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether Government have constituted an 11-member high-powered Group of Ministers to finalise the terms of reference for the new Commission to study the Centre-State relations;

†The question was actually asked on the floor of the House by Dr. T. Subbarami Reddy.

(b) if so, whether this group has already held a number of meetings till now;

(c) if so, to what extent this Commission will be different from the Sarkaria Commission;

(d) what are the main issues that this Commission will consider and whether the issues like distribution policy of foodgrains and financial assistance to States will also be considered by this Commission; and

(e) by what time final report of this Commission is likely to be submitted?

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI MANIKRAO HODLYA GAVIT): (a) Yes, Sir.

(b) The Group of Ministers met on February 16, 2005 and finalized the Terms of Reference of the new Commission.

(c) The Commission would keep in view the sea-changes that have taken place in the polity and economy of India since 1988 i.e. when the Sarkaria Commission submitted its report.

(d) The Commission will examine and review the working of the existing arrangements between the Union and the States as per the Constitution of India and various pronouncements of the Courts in this regard; address the growing challenges of ensuring good governance for promoting welfare of the people, strengthening the unity and integrity of the country. Besides, the Commission will also make recommendations on the role, responsibility and jurisdiction of Centre *vis-a-vis* States during major and prolonged outbreaks of communal violence, caste violence or any other social conflict leading to prolonged and escalated violence; planning and implementation of mega projects; effective devolution of powers and autonomy to various local bodies; practice of independent planning and budgeting at District level; linking Central assistance with the performance of States; positive discrimination in favour of backward states; fiscal relations between Centre and States; levying duties on goods and services in the emerging tax regime; freeing inter-State trade to establish a unified and integrated domestic market; setting up a Central Law Enforcement Agency; supporting legislation under Article 355, etc.

(e) The proposed tenure of the Commission is two years.

DR. T. SUBBARAMI REDDY: Sir, I want a specific reply from the hon. Minister. I would like to know whether the new Commission will go into the recommendations, which are under implementation, or there will be some more important issues like, who will have the final word on water sharing among the States, and, should the Centre deal directly with the village Panchayats. What action needs to be taken against the States that act against the Central Policy? And would the Disaster Management be undertaken directly by the Centre?

SHRI SHIVRAJ V. PATIL: Sir, this Commission will look into the relations between the Union, and the States, and the district bodies and the village local bodies. It would also consider as to how the co-operation of the people at large, can be obtained. It also looks at in what fashion we would like to obtain the cooperation of NGOs. The ambit is going to be quite wide and they are going to consider the modern technology and the modern methods of administering the States by using electronics and other kinds of gadgets. As far as Tsunami is concerned, it is a part of it.

As far as disputes between States relating to the water sharing are concerned, it is a part of it. How it is to be decided is already laid down under the Constitution, and, sometime, the help of the Supreme Court is also obtained. It is going to look at the issues which are not looked at by the previous Commission *i.e.*, Sarkaria Commission.

DR. T. SUBBARAMI REDDY: Sir, would the new Commission also study the provision of allowing the Union to send the Central Forces to the States without imposing President's Rule? And will the Commission take into account the changes in the concept, theories and modern methods of administration and also take a fresh look at the way of functioning or relations between the Union and the States.

SHRI SHIVRAJ V. PATIL: Sir, this is an issue which has been discussed and to this some people say 'yes', and some people say 'no'. This is a very, very complicated issue. We shall have to decide and the Commission has to look into it and advise us as to what should we do.

MR. CHAIRMAN: Question Hour is over.