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"In accordance with the provisions of rule 120 of the Rules of Procedure and Conduct of Business in Lok Sabha, I am directed to inform you that Lok Sabha, at its sitting held on the 22nd August, 2000, passed, in accordance with the provisions of article 368 of the Constitution of India, without any amendment, the Constitution (Eighty-sixth Amendment) Bill, 1999, which was passed by Rajya Sabha at its sitting held on the 17th August, 2000."

(II)

"In accordance with the provisions of rule 120 of the Rules of Procedure and Conduct of Business in Lok Sabha, I am directed to inform you that Lok Sabha, at its sitting held on the 22nd August, 2000, passed, In accordance with the provisions of article 368 of the Constitution of India, without any amendment, the Constitution (Eighty-eighth Amendment) Bill, 1999, which was passed by Rajya Sabha at its sitting held on the 17th August, 2000."

I The Appropriation (No.3) Bill, 2000

II The Appropriation (No. 4) Bill, 2000 - Contd

श्री राजीव शुक्ल : उपसभाध्यक्ष जी आपने मुझे बोलने का अवसर दिया उसके लिए आपको हार्दिक धन्यवाद। नरेन्द्र मोहन जी से लेकर अमर सिंह जी तक तमाम लोगों ने इसमें ज्यादातर जितने विषय थे वे ले लिए हैं। लेकिन तीन-चार बातें मैं इसमें रखना चाहता हूँ। इस बिल को तो मैं सपोर्ट कर ही रहा हूँ लेकिन मैं वित्त मंत्री जी से कहना चाहूंगा कि 1991 के बाद ऑस्टेरेटी मेजर्स का एक नारा शुरू हुआ था जिसमें था कि सरकारी खर्चों में कटौती करे। आज दस साल होने के बाद भी यह देखा जा रहा है कि सरकारी खर्चों में कटौती करने के लिए न कोई योजना आरम्भ हुई और न आज तक कोई सच्चे मन से प्रयास हुआ। ऑस्टेरेटी मेजर्स जो चार- पाँच जितने बताए गए थे उनमें डाउन साइजिंग आफ गवर्नमेंट एबालिशन आफ पोस्ट्स, मैं समझता हूँ कि ये इतने इंपोर्टेंट नहीं है और उनका इम्प्लीमेंटेशन भी नहीं हुआ। अगर एक डिपार्टमेंट को एबालिश करने की कोशिश भी हुई तो दूसरा नहीं हुआ और कोई डिपार्टमेंट एबालिश हुआ भी नहीं। यह इतना इंपोर्टेंट नहीं है बल्कि तमाम ऐसी चीजें हैं जिनको अगर ध्यान से देखा जाए तो शायद कुछ फायदा हो सके। उदाहरण के तौर पर, मैं आपको बतलाना चाहता हूँ कि

अगर फाइनेंस मिनिस्ट्री ऑफ एक्सटर्नल एफेयर्स पर कंसन्ट्रेट करें तो वहां इतनी ज्यादा सेविंग हो सकती है, हमारे मिशनों पर जितना खर्चा हो रहा है वह भी फॉरेन एक्सचेंज में कि आप सोच नहीं सकते। यह तमाम वेस्टफुल एक्सपेंडिचर है। जगह-जगह पैलेस्टियल हाऊसेज हैं, उनका लाखों डॉलर किराया जा रहा है और अगर टोटल किराया जोड़ा जाए तो करोड़ों डॉलर उन मिशनों को दिया जा रहा है। लेकिन यह सिर्फ इसलिए कि हमारे पास ये पहले से हैं या सिर्फ शेखी बघारने के लिए हमने उनको रखा हुआ है मुझे तो लगता है कि जो इंपोर्टेंट कन्ट्रीज हैं वहां तो हमें अच्छे मिशन रखने चाहिए, उस हिसाब से उनको मेन्टेन करने चाहिए और उतना खर्चा करना चाहिए। बाकि एक स्कीम एक्सटर्नल एफेयर्स मिनिस्ट्री के साथ बैठकर बनानी चाहिए जिसमें जो हमारा इनमिशन पर एक्सपेंडिचर है उसमें से कम से कम 10 से 15 परसेंट कमी करने की कोशिश करनी चाहिए। यह नहीं भूलना चाहिए कि हमारी यह सेविंग फॉरेन एक्सचेंज में होगी और वह जो कि सबसे ज्यादा इंपोर्टेंट है, क्योंकि अगर देखा जाए तो सबसे मुसीबत बी.ओ.पी. की है बेलेंस आफ पेमेंट के मामले में।

दूसरी इंपोर्टेंट चीज है —हमारा पेट्रोल बिल। यह लगातार बढ़ता जा रहा है। अभी जो ओपैक का डिसीजन हुआ उसके बाद भी पेट्रोल बिल बढ़ता चला जा रहा है हमारे पेट्रोलियम प्रोडक्ट या पेट्रोल का 60 परसेंट कंजम्पशन गवर्नमेंट सैक्टर में हैं। अगर एक परसेंट भी हम उसको रिड्यूज करने की कोशिश करें तो इतनी बड़ी सेविंग होगी की आप सोच भी नहीं सकते हैं। इसके अलावा तमाम ऐसे डिपार्टमेंट हैं- फिशरिज डिपार्टमेंट को क्या जरूरत है कि उसे अम्बेस्डर कार दी जाए। इसको छोटी कारें दी जा सकती है जिनका उपयोग 10 से 5 बजे तक किया जा सकता है। इसके अलावा डिफेंस पर- जो बोर्डर एरियाज हैं उनमें आप जितनी गाड़ियां हैं उनको वहां चलाइए। लेकिन अगर कैंटोमेंट इंदौर में हैं कानपुर में हैं तो वहां भी जोंगा चल रहा है जबकि यह एक गैलन में 5 किलोमीटर, 10 किलोमीटर चलता है। उसकी कोई जरूरत नहीं है। उसकी जगह मारुति जिप्सी चल सकती है, छोटी कारें चल सकती है, आपको ये एक्सपेंडिचर छोटे-छोटे लग सकते हैं लेकिन जब हम इनको देश के पैमाने पर देखते हैं तो इनका बहुत बड़ा खर्चा आता है और यह भी सेविंग हमारी फॉरेन एक्सचेंज के रूप में है।

तीसरी बात डिपार्टमेंट आफ हैवी इंडस्ट्री की है। हमारे जो लॉस मेकिंग पीएसयूज हैं उनके बारे में मैं स्पष्ट राय देता हूं कि अगर आप लॉस मेकिंग पीएसयूज को रिवाइव नहीं कर सकते हैं तो उनको बंद कर देना चाहिए या डिस-इन्वेस्टमेंट करना चाहिए। मेरी उस दिन दीपाकर मुखर्जी से बात हो रही थी तो उन्होंने बड़ी अच्छी बात कही। उन्होंने कहा कि यह ठीक है कि उसके लिए कर्मचारी जिम्मेदार हैं, लेकिन मैनेजमेंट भी उसके लिए उत्तनी ही जिम्मेदार है। कई जगह पर पीएसयूज के मामले में देखा गया है कि मैनेजमेंट ने भी सबसे ज्यादा गड़बड़ियां की हैं, पिलफरेंजेज की ही। जिस तरह से उनका माडर्नाइजेशन करना चाहिए था, वह नहीं किया। चाहे आप टैक्सटाइल इंडस्ट्री को ले लीजिए जो कॉर्स क्लॉथ प्रोड्यूस कर रही हैं। अगर वे अपने को उसी ढंग से माडर्नाइज करती तो शायद यह नौबत नहीं आती, लेकिन उनमें शायद बहुत पिलफरेंजेज थी मैनेजमेंट की तरफ से और प्रोडक्टिविटी लॉस मजदूरों की तरफ से था। दोनों को मिलाकर इनकी हालत नीचे चली गई। मुझे याद है कि डा. मनमोहन सिंह जी ने एक बार अपनी स्पीच में कहा था कि हम घर बैठकर लॉस मेकिंग पीएसयूज के लोगों को तनखाह दे रहे हैं, सवाल यह है कि हमारे कर्मचारियों और मजदूरों को बेरोजगार नहीं होना चाहिए। उनको घर

बैठाकर तनखाह देने पर चार हजार करोड़ रुपये का खर्च आता है और इन यूनिट्स को चलाने में करीब 13 हजार सात सौ करोड़ रुपये का खर्चा आता है। इससे नौ हजार करोड़ रुपये सालाना बचाए जा सकते हैं। मेरा ख्याल है कि इन पाइप्ट्स को भी ध्यान में रखना चाहिए। कई बार पापुलस्टि एप्रॉच लेने के चक्कर में ऐसा हो जाता है। जैसे एक कालिप अटेंशन मोशन हमारे उस हाऊस में आया हुआ है जूट एक्ट पर हमने भी पता लगाया कि जूट एक्ट क्या है यह पता चला कि जूट मिल या जूट कर्मचारियों के नाम पर रिजर्व है कि आपको जूट के ही बोरे खरीदने पड़ेंगे। अब उनको ज्यादातर गवर्नमेंट ही परचेज करती है चाहे फूड डिपार्टमेंट हो, चाहे सिविल सप्लाय डिपार्टमेंट हो, चाहे सीमेंट इंडस्ट्री हों। यह बताते हैं कि चार रुपये से लेकर 30 रुपये का बोर पड़ता है, लेकिन उन्हें लेना पड़ता है क्योंकि वह जूट मजदूरों के नाम पर होता है। असलियत यह है कि उससे जूट मजदूरों का कोई लेना देना नहीं है। वहां के पांच-सात व्यापारी हैं बिज़नेसमेन हैं वे सभी इसको मेनेज करते हैं इसका सारा प्रॉफिट उसको ही जाता है। इसके बारे में यह पता लगाया जाना चाहिए कि इसकी असलियत क्या है। क्या सरकार उन सात व्यापारियों को खुश रखने के लिए यह सब कर रही है? आपको जूट एक्ट को भी देखना चाहिए क्योंकि हो सकता है ..

उपसभाध्यक्ष (श्री रमाशंकर कोशिक) : किसान भी जूट पैदा करते हैं।

श्री राजीव शुक्ल : जूट मजदूरों के प्रति अगर ज्यादा हमदर्दी है तो इस बार सबसे ज्यादा जूट का प्रोडक्शन पश्चिमी बंगाल में हुआ है। फिर बंगालादेश से जूट क्यों इम्पोर्ट किया जा रहा है? बंगलादेश से जूट का इम्पोर्ट बंद किया जाना चाहिए। यह मेरा अपना मानना है।

इसी तरह से कामर्स मिनिस्टर ने दूसरे हाउस में स्टेटमेंट दिया था। जो चीजें इम्पोर्ट के लिए खोली गई हैं उनकी जगह से इंडियन इंडस्ट्री को काफी नुकसान हो रहा है उन्होंने तमाम जगह पर कैपिंग लगाई है, ऐसा वह कह रहे हैं। लेकिन तीन सौ के करीब ऐसी वस्तुएं हैं जिनका इम्पोर्ट किया जा रहा है उनमें से ज्यादातर छूटी हुई है। इससे इंडियन इंडस्ट्री का बहुत नुकसान हो रहा है। आज वेस्ट पेपर के नाम पर क्वालिटी पेपर इम्पोर्ट किया जाता है। इससे इंडियन इंडस्ट्री सफर करती है। इसी तरह से और तमाम आईटम्स हैं जो छूटी हुई और मुझे लगता है कि एक स्कीम फाइनेंस मिनिस्ट्री और कामर्स मिनिस्ट्री को वर्कआउट करनी चाहिए। इंडियन इंडस्ट्री को बचाने के लिए इनकी कैपिंग फ्लोर प्राइस तो शायद डब्ल्यूटीओ की वजह से ओपनली नहीं कर सकते हैं लेकिन कोई न कोई तरीका तलाशा जा सकता है जिसके जरिए से यह किया जा सकता है। वह लागू होना चाहिए जिससे कि इंडियन इंडस्ट्री इसमें बिल्कुल न टूटे। कामर्स मिनिस्ट्री ने स्पेशल इकनॉमिक जोन बनाया है, मुझे लगता है कि अगर यह कंसेप्ट सक्सेसफुल हो तो बहुत अच्छा है। इस तरह कि और भी स्कीम बननी चाहिए।

हमारी नेपाल से ट्रीटी है। उसके तहत नेपाल में कुछ के ऊपर एक्साइज ड्युटी नहीं लगती है और उनको वहां पर फैक्टरी खोलने की इजाजत दी गई है। न जाने कितने इंडियन लोगों ने वहां पर जाकर इंडस्ट्री लगाती है ये वहां माल तैयार करते हैं, ड्युटी नहीं देते हैं और उसको लाकर इंडिया में बेचते हैं। इसकी वजह से इंडीयन इंडस्ट्री सफर करती है। वे माल नेपाल में बनाते हैं लेकिन बेचते सारा माल इंडिया में है। उस पर भारत सरकार ने चार परसेंट की

[22 August, 2000]

RAJYA SABHA

ड्यूटी लगाई तो नेपाल के प्राइम मिनिस्टर ने उसको लेकर काफी हंगामा खड़ा कर दिया। मेरा अपनी सरकार से कहना है कि वह चार परसेंट ड्यूटी को विद्वा न करें बल्कि इसको और बढ़ाये ताकि इंडियन इंडस्ट्री को सफर न करना पड़े क्योंकि बाई लिटरल रिलेशन्स से तमाम मुल्कों को बचाने के चक्कर में यह नुकसान होता है। यह नहीं होना चाहिए।

इसी तरह से नार्थ ईस्ट में होता है। नार्थ ईस्ट में इंडस्ट्री से नार्थ ईस्ट का डेवलपमेंट होगा वहां पर क्या हो रहा है पांच लाख दस लाख रुपये खर्च करके लोग कमरों में इंडस्ट्री लगा लेते हैं और ये वहां वे पूरे बेनीफिट लेते हैं और जिस दिन यह एक्साइज ड्यूटी खत्म होती है उसी दिन वहां से वाइड-अप करते हैं और चले आते हैं क्योंकि वह स्टेट बड़ी नहीं है। इसलिए वहां पर मिनीमम केपिटल 50 करोड़ की इंडस्ट्री की होनी चाहिए। जब कोई 50 करोड़ की इंडस्ट्री नार्थ ईस्ट में लगाए तभी उसको एक्साइज बेनीफिट मिलने चाहिए। ये सारी बातें मैं वित्त मंत्री जी के ध्यानार्थ रखना चाहता हूं और मुझे उम्मीद है कि वह इस पर गौर करेंगे। धन्यवाद।

SHRI V.V. RAGHAVAN : Hon. Vice-Chairman, Sir, when we discuss the financial management through this Appropriation Bill, it is essential to have a quick look at the state of our economy today. As my time is very short, I will confine myself to the agriculture sector. Sir, the new liberal Economic Policy pursued by the Government of India has hit the agriculture sector very hard, very badly. Whatever hon. Shri Narendra Mohan has said, if he could have a discussion with his colleague Shri Venkaiah Naidu, he would get the picture of agriculture in India today. I represent the state of Kerala in this House.

We, in Kerala, produce mostly commercial agricultural products like coconut, rubber, tea, coffee, cardamom, etc. And we depend upon poultry and dairy farm also. All these sectors are hit by the wrong import policies of this Government. You have discarded the quantitative restrictions. You have brought the bare minimum import tariff to all agricultural produce, prepared foods, dairy farm produce, poultry produce. American chicken is sold in the market for Rs.23 per kilo. How can our poultry maintain itself? It is so not only in Kerala but all over India. By these import policies implemented by the Government of India, the entire agricultural system is in a very pathetic condition.

Sir, about subsidies, when we go through the Budget and the Appropriation Bill before us, we find that we are compelled by the G-8 countries for reducing our agricultural subsidies. What are they doing? Sir, I have some statistics. The G-8 countries, especially the United States of America, are compelling the developing countries to reduce their agricultural subsidies, just to compete in the international market and domestic market whereas America, in the year 1998, gave, to their agriculturists, 97.3 billion

dollars. That comes to Rs.4,80,400 crores in a year! Each American cultivator got 30655 dollars. They are giving liberal subsidies, just to compete in the international market and domestic market. Similarly, the European Union also are giving them 80 per cent subsidy. There is contradiction between them also. And these countries compel the developing countries to reduce the subsidy, and by their compulsion because of the WTO and connected agreements, we are obliged to obey them. We are succumbing to them. Why don't we use our protection laws as the United States of America does? There is a legislation in America. When we discussed the Patents Bill, it was available in the Internet. They have enacted a law. Whatever be the WTO clauses, whatever be the TRIPS Agreement clauses, if the clauses clash with American interests and law, then the American law will prevail. *(Time-bell)*. Sir, just a minute. Then, again, even in international agreements, WTO clauses, there is a proviso that when these agreements are implemented in various countries, their social, economic interests have to be taken into consideration. It is there and when we send our officers and advocates to the Tribunals where these decisions are taken, where these appeals are heard, are they contesting our case efficiently? Why are we succumbing to all these things? Is it because of the WTO compulsions? Our Exim Policy has driven our agriculturists to a very pathetic condition. When the sixty crores of agriculturists are in this stage, how can we revive our economy? How can we shut our eyes? Our agricultural policy is just now introduced in the House. Sir, what is needed in India is the basic agrarian reforms, giving land to the tiller and enhancing their purchasing power. We are 100 crores today. If we enhance the purchasing power of our agricultural workers and peasants, we can survive and our self-reliant economy can go forward. Let us not depend upon other countries. *(Time Bell)* So, my point is, the new economic policy takes away the land from the tiller instead of giving it to the tiller. Again, crores of our agricultural workers have been promised that a comprehensive legislation will be brought forward for the well-being of the. agricultural workers. The Bill is still pending. Sir, by implementing such a legislation for the agricultural workers, by implementing the basic agrarian reforms and by lifting the whole generation by adopting this path alone, we can survive. Only then, the self-reliant economy can be thought of. *(Time Bell)* That is why I would request the hon. Finance Minister to review this policy and change it in the interest of the nation. Thank you.

1.00 P.M.

मिर्जा अब्दुल रशीद (जम्मू और कश्मीर): थैंक यू वाईस चयरमैन साहब। मुझे यह अहसास है कि वक्त बहुत कम है। ग्लोबलाइजेशन की पॉलिसी को एप्रिप्रिएट किया जाए या लिब्रलाइजेशन की पॉलिसी कि नुकताचीनी की जाए, एग्रीक्चरल सेक्टर पर बात करें या इंडस्ट्रीयल सेक्टर पर, उसके लिए वक्त बहुत कम है। हमें भरोसा है कि जो हमारे फाइनेंस मिनिस्टर हैं, ये अच्छा ये बजट पेश कर के इंप्लिमेंटेशन करा रहे हैं, मॉनीटर भी करा रहे हैं और एकाउंटेबिलिटी भी फिक्स कराएंगे। हमें इनसे यह उम्मीद है कि इनके वक्त में कंट्री की इकानॉमिक ग्रोथ इम्प्रूव होगी और मैं इस एप्रोप्रिशन बिल की पुरजोर हिमायत करता हूँ।

महोदय, मैं आपकी विसावत से ऑनरेबल मंत्री जी का ध्यान इस तरफ ले जाना चाहता हूँ कि जम्मू-कश्मीर की जो हालत है, उसके बारे में मैं जिक्र करूंगा कि सारा देश जानता है, ऑनरेबल हाऊस जानता है कि जम्मू-कश्मीर में पिछले 12 साल से जो अनडिक्लेयर्ड वार पाकिस्तान ने जारी किया है, उसकी वजह से वहां रात को सोचे हुए मां-बेटे को हलाक किया जाता है और वालदेयन के सामने नौजवान बच्चों का कत्ल किया जाता है। एक तरफ मिलिटेंसी और प्रॉक्सी वार ने यह हालत कर रखी है, दूसरी तरफ पिछले 6 महीने से वहां डेवलपमेंटल एक्टिविटीज जो हैं, टोटली डिफक्ट हैं। डिफक्ट इसलिए कि जम्मू-कश्मीर की रियासत जो है वह अदरवाइज भी एक अजीब रियासत है कि लद्दाख और कारगिल में, चार महीने का वर्किंग सीजन होता है और कश्मीर वादी में 6 महीने का वर्किंग सीजन होता है। पिछले 50 साल से वहां फर्स्ट वीक ऑफ एप्रिल को जो सेंट्रल असिस्टेंस होती है, जो प्लान होता है, वह दिया जाता है पांच महीने गुजर गए हैं लेकिन अभी तक वहां पर सैन्ट्रल एसिस्टेंस स्कीम रिलीज नहीं हुई है जिसकी वजह से हमारी स्टेट की 14 डिस्ट्रिक्ट्स में से किसी एक डिस्ट्रिक्ट में भी डिस्ट्रिक्ट वैलफेयर बोर्ड की मीटिंग नहीं हो सकी है। खासकर देहात में टोटल एक्टिविटी बंद है। एक तरफ मिलिटेंसी ने यह हालत कर रखी है और दूसरी तरफ हमारी इकनोमी इतनी बिगड़ चुकी है इसलिए मैं ऑनरेबल मिनिस्टर साहब से गुजारिश करूंगा कि जितना जल्दी हो सके जो भी पैसा या प्लान देना हो उसको बहुत जल्दी दिया जाए। यदि दिया जाएगा तो आपको यूटिलाइजेशन सर्टिफिकेट नहीं मिल सकेंगे क्योंकि सीजन खराब हो गया है, वर्किंग सीजन गुजर चुका है। अब एक, डेढ़ या ज्यादा से ज्यादा दो महीने रहते हैं। इस सिलसिले में जितने सेंट्रल प्रोजेक्ट होंगे, जितनी स्पांसर्ड स्कीम होंगी, वे भी टोटल बंद हो जाएंगी। क्योंकि जब यूटिलाइजेशन सर्टिफिकेट नहीं होगा तो यह रियासत और तबाह होगी। मैं इस बारे में एक तजवीज पेश करता हूँ कि नार्थ इस्ट स्टेट की तरह जो नॉन लैप्सेबल फंड की स्कीम है, वह जम्मू-कश्मीर में भी लागू की जाए ताकि वहां फंड्स लैप्स न हों। मेरी दूसरी गुजारिश है कि पिछले दस पंद्रह सालों से एक भी पुल या बिल्डिंग, कॉलेज बिल्डिंग बनी नहीं है टोटल टूरिज्म इंडस्ट्री खत्म हो गई है। हम ने 11 वें फाइनेंस कमीशन को भी देखा है, जब तक कोई स्पेशल इकनॉमिक पैकेज स्कीम नहीं जो होगी तब तक हालत बेहतर नहीं हो सकती और न ही जो इंफ्रास्ट्रक्चर तबाह हो चुका है, री-बिल्ट सकता है। इसलिये मेरी गुजारिश है कि वहां के लिए बिलखुसूस आज के वक्त जब एक सिग्नल जा रहा है कि वहां कोई काम नहीं हो रहा है, कोई पैसा नहीं जा रहा है, कोई सेंट्रल असिस्टेंस स्कीम नहीं जा रही है तो लोग खासकर हमारे चीफ मिनिस्टर साहब को ताना देते हैं कि अराउंड दि क्लोक भारत के हम में एक आवाज बनी हुई है और भारत और कश्मीर के दर्मियान एक पुल का काम करते हैं। इस सिलसिले में मेरी गुजारिश है कि जितनी जल्दी हो सके पैसा मंजूर कर

दें और उनको दे दे ताकि कुछ न कुछ इम्प्लीमेंटेशन हो सके। अगर ऐसा न हो तो लोग यह समझेंगे की पता नहीं यह किस जुर्म की सजा है। मैं साहब के एप्रोप्रिएशन बिल का स्पॉर्ट करता हूँ लेकिन साथ ही इनसे गुजारिश भी करता हूँ कि जितनी बुरी हालत कश्मीर की है उसी लिहाज से, जितनी जल्दी हो सके पैसा दीजिए।

SHRI H.K. JAVARE GOWDA (KARNATAKA): Sir, the hon. Finance Minister has come with Appropriation (No. 3) Bill, 2000 and Appropriation (No. 4) Bill, 2000, seeking appropriation of certain amounts. Rs.2536.66 crores have spent not on the productive lines. Whatever the reasons for asking for appropriation of money are, the funds given in the Budget are not utilised for generation of income. Amounts are now required to be utilised for meeting expenses on salaries and spending on unproductive lines.

I want to point out to the hon. Finance Minister that after Pokhran, the developed countries imposed sanctions against us. There was a fear that Indian economy would be destabilised, but because of agriculture, there were no far-reaching effects on Indian economy. After the WTO agreement, see what the fate of agriculturists in this country is. Due to import of various agricultural products, the farmer is suffering badly. He is not getting just and reasonable prices for his products like^v paddy, potato, coconut, jute, tobacco, coffee, tea, cardamom sugar, for anything. Apart from that, there is no lifting of sugar; so the grower of sugarcane is feeling very bad. Sugar mills are not paying sufficient prices. Whom should we blame? Under such circumstances, I would like to draw the attention of the Finance Minister to the fact that it is only due to globalisation that the prices are going down. I would like to know from the Finance Minister that if it is a fact, why the prices of fertilizers are not coming down. They are increasing day by day. I would like to bring to the notice of the Finance Minister that in 1998 we requested him in this House to reduce the price of urea. It was enhanced by one rupee per kilo. He said, "It is too difficult and we will roll back 50 paise". You compare the prices now. The prices of fertilizers, tractor, diesel and all agricultural inputs are going up day by day. The prices of agricultural products are coming down. How do you maintain an equilibrium? How are you going to balance it? Now, we are experiencing a white revolution throughout the country. It was done, firstly by Gujarat, secondly by Karnataka, and thirdly by Andhra Pradesh, and so on. You are importing a lot of milk and milk products at the cost of the poor agriculturists. Apart from that, I would like to draw the attention of the Finance Minister to the fact that 70 per cent of the Indian families, who are dependent on agriculture, are getting their major income by selling milk

to the co-operatives. They get Rs.100 or Rs.200 or Rs. 500 etc. per week and they have to purchase all the necessary articles and lead their life with that. If you allow import of milk and milk products in future, it will mar the entire co-operative system and it will have a bad effect on farmers. Apart from that, it is a curse on the agriculturists in India. Whatever technological development is needed, that we may do. But the entire agriculture depends on monsoon. Seventy per cent of our agriculture depends on monsoon. All of us know this reality. In 1998, for three months, the price of onion shot up like anything. The entire country started crying. The rise in the price of onion had changed three Governments also. Now, the prices of agricultural products are going down. None is caring about the difficulties of the farmers. There is no 'asker' and there is no 'teller'. This Government is trying to remove the subsidy. How is it possible to comply with the WTO? (*Time Bell*).... Sir, I need one or two minutes.

A senior Member, Shri Narendra Mohan, was mentioning something. It appears that he is from the industrial sector. The facts that he has mentioned are not relevant to the agricultural sector. The difficulty that is being faced by the agriculturists is this. If you have other sources of income, you can invest in agriculture. If you have no income, you cannot invest in agriculture. If you borrow money and if you don't get the expected results, where do you go? Apart from that, if you borrow money from the banks and if you don't pay within a year, the bankmen will come and take away your bullocks, utensils and everything. In our country, there are Rs.58,000 crore worth non-performing assets. The industrialists, others and bigwigs are responsible for that. They are protected under the law. But the poor farmer is not protected. I request the Finance Minister to enhance the import duty and see that sugar and other agricultural products are not imported from outside. I request him to raise the import duty to 100 per cent and save the farmers and the industry.

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA);
Sir, I am extremely grateful to some 13 hon. Members—thirteen is incidentally our lucky number-of this House, starting with Mr. S.B. Chavan and ending with Mr. Javare Gowda, who have participated in this discussion and made a number of very valuable suggestions. Mr. Chavan started by raising the issue of globalisation and liberalisation. This is the theme which has been reiterated by a number of hon. Members of this House. Sir, when we took

office in March, 1998, in our first incarnation, we did not get a clean slate to write upon. There was a tot which was already written on that slate. There were international obligations, international treaty obligations which had to be honoured. Governments come and go. But many of the obligations, especially international obligations continue to subsist. The most potent instrument of globalisation or of the new form of globalisation is supposed to be the WTO. I was a Member of this House in those days. I remember a number of occasions when along with other colleagues in this House I raised issues regarding the Uruguay Round of .Negotiations. Before the Dunkel proposals, the name that we knew was the Uruguay Round of Negotiations. Then the Dunkel proposals came. The Dunkel proposals were so dangerous that I remember, out of sheer agitation, I travelled 250 kilometres on a bicycle with some 200 friends of mine from the BJP to which I belong. We stopped at every village, every market place and every town on the way and told the people about the danger of the proposals formulated by Mr. Dunkel. But the new WTO Treaty was signed in Marrakesh. We assumed those obligations. Today we have been accused of removing quantitative restrictions. We have been accused of opening up the economy of the country for imports from other countries. Sir, a reference has been made to 714 items from which quantitative restrictions have been removed this year. Sir, I would like to say that neither .the Government of the day nor the trade and industry of this country went into the details of the obligations that we were assuming. Nobody really studied as to what the implications of the WTO Treaty would be. Today we are left with that obligation. I would like to mention how we are trying to tackle it. So far as the removal of quantitative restrictions is concerned, it is not a sin which has been committed by this Government for the first time. Before 1.4.1996, quantitative restrictions were removed from 6161 items. In 1996-97, quantitative restrictions were removed from 488 items. In 1997-98, again quantitative restrictions were- removed from 391 items. In 1998-99, quantitative restrictions were removed from 894 items. In 1999-2000, quantitative restrictions have been removed from 714 items. Out of 10,202 items, there are still 715 items from which quantitative restrictions have to be removed by 1*st April, 2001 in accordance with the treaty obligations which exist under the WTO. That is what it is. At the same time, while we are removing the quantitative restrictions, it is not that we are completely unmindful or ignorant of the impact that it might have on the Indian industry, especially the small-scale industry and the Indian agriculture. Let me hasten to add that because we are aware of this problem and because it is a

policy of the Government that we shall protect both the Indian industry and the Indian agriculture; that we shall protect the interests of the Indian economy, we have already taken a number of steps in order to be able to do so. Sir, I would like to take the House into confidence -- though this is something which I have included in my Budget and is well known -- and say that customs duty on all agricultural, horticultural and dairy produce, was taken to the peak rate of 35% in this year's Budget, across- the-board. All agricultural products have been now charged of duty at the peak rate. All items, in respect of which QRs were removed in April this year, have also been taken to the peak rates. In the case of sugar, wheat, rice, edible oils, the tariff rate was fixed at 100% to enable adjustments in rates during the current year and we have already raised the rates wherever it was necessary. Basic customs duty on chicken meat and chicken products was increased to 100% with effect from 12.5.2000. Similarly, basic customs duty on tea and coffee was increased from 15% to the peak rate of 35% with effect from 12.5.2000. Basic customs duty on crude as well as refined edible oils was increased on 12.6.2000. Basic customs duty on powdered milk and corn was increased from nil to 60% on 12.6.2000. Basic customs duty on arecanut was increased from 35% to 100% on 6.7.2000. So, wherever we have the manoeuvrability, in terms of the WTO-bound rates, we are using that in order to protect our agriculture and industry. And this will continue to be the policy of this Government.

Sir, there is fair competition and there is unfair competition. Unfair competition takes place when goods are dumped into this country. I would like to take the House into confidence and say that despite a somewhat laborious process that we have, in this country, of imposing anti-dumping duties, we have so far imposed anti-dumping duties in about 105 cases; not one, two or thirty, but in 105 cases we have imposed anti-dumping duties. At present, there are 40 items on which this is valid. In addition, safeguard duty is presently applicable on three items against which we had received representations. So, Sir, it cannot be said that we have been found wanting, in terms of action, as far as protecting the domestic industry and domestic agriculture is concerned. And I would like to once again reiterate that whenever we receive a complaint that any sector of our industry or any sector of our agriculture is being affected adversely by imports, we will be taking this step. But, Sir, let me also inform the House that as far as agricultural imports are concerned, I have got the figures of 1998-99 and 1999-2000; and the figures speak for themselves; despite what Nilotpal

Basuji may say that 'all damn lies in statistics'. But statistics, as we collect them, are what we have to go by. In 1998-99, the total value of agricultural imports into this country was \$ 1.8 billion, as against a total import of commodities into this country of \$ 42.4 billion. That works out to 4.28% only. In 1999-2000, as against a total import of \$ 48.7 billion, the total agricultural imports into this country were \$ 2.7 billion, which works out to 5.63% of the total imports. Out of these total agricultural imports, edible oils alone, in which this country is perennially short, accounted for 70%. Therefore, edible oils have been imported. These are figures and these are statistics.

So, Sir, as far as globalisation is concerned, our policy will continue to be to integrate, on our terms, with the rest of the world. It will be our policy to protect the interests of this country, and not take any steps which will compromise the interests of this country. Why didn't Seattle succeed? Why is it that before President Clinton demits office, the new round has not started? I will not be far wrong if I claim that it is because of the leadership that a country like India has provided in the WTO forum to all the developing countries; it is because of the stand that we have taken that the world has come to realise that if we are not on board, there is no way in which the new round of trade negotiations can begin in WTO. That is the result of the stand that we have taken.

Now, I come to the second important issue which has been raised by a number of our colleagues, cutting across party lines, in this House, and that is the issue of the 11th Finance Commission. Sir, we are all aware that the Finance Commission is constituted every five years under the provisions of the Indian Constitution. The framers of the Constitution decided that there must be an independent body which will, every five years, decide on the very sensitive issue of devolution of Central funds, Central taxes, to the States, and the distribution, the horizontal distribution, of that devolution among the States. So, basically, what the Finance Commission decides is in regard to how much of the Central taxes should be devolved to the States and how the moneys thus available should be distributed among the various States. Now, a debate has been started in this country in regard to the recommendations of the Finance Commission. A point of view has been mentioned here, Sir, that we should have discussed the matter with the State Governments before we came to a conclusion, and before we submitted the Action Taken Report to Parliament. Sir, I will most humbly submit that with regard to the Report of the 10th

Finance Commission, which preceded the 11 Finance Commission, this procedure has not been followed. The procedure which has been followed is that the Government of India accepts the Report of the Finance Commission because it is an independent body; it is supposed to be a fair umpire between competing claims and then gives its findings. So, the Report of the Finance Commission, along with the Action Taken Report, is submitted by the Government of India to Parliament at the earliest opportunity. Suppose, Sir, we had taken it, we had called a meeting of the State Chief Ministers and we had given the Report to them and said, "Now you make your suggestions", what would be the suggestions? If some State has lost, some State has gained, according to whatever formula, then a State which has gained is not going to part with its gain. But somebody will have to make good the loss. Who will make good? This is what I told the Hon. Chief Ministers when they came to call me yesterday. I said that the easiest thing to do was, perhaps, for the Government of India to make good the loss which they think they have incurred or sustained as a result of the 11th Finance Commission; but am I in a position to do that? Sir, if the Hon. Members of this House recall the figures of the Budget this year, I am going to borrow Rs. 111,000 crores from the market in order to sustain the expenditure of the Government of India. I am going to pay Rs. 101,000 crores only by way of interests on loans that we have taken in the past. Now, there is a feeling that the Government of India has flexibility. The Government of India, indeed, has flexibility. We can go to the market and borrow. Instead of Rs. 111,000 crores, perhaps, we can borrow Rs. 200,000 crores. But then that will be the day when the economy of this country will collapse under the weight of Government's borrowings. Therefore, it has been my endeavour, Sir, to see to it that our borrowings are kept within checks, within limits. This is an obligation that I — as long as I am the Finance Minister of this country -- must observe, must fulfil, because I will not be true to my job if I permitted absolute laxity on that score.

But I also mentioned to the Chief Ministers--I would like to share this with the Hon. Members of this House--that the Report which the Finance Commission has given is a final report, but we did issue to them some supplementary terms of reference which was not liked by some States. When we had the Inter-State Council meeting, many a State protested against the supplementary terms of reference, but with regard to those terms of reference, the second report of the Finance Commission is awaited. We will see what recommendations they make; but I would like to

say here, with all the confidence at my command, that in the 28-29 months that I have been the Finance Minister of the country, I have not allowed any single State to suffer because of lack of resources. *{Interruptions}*

Sir, as a result of the implementation of the Fifth Pay Commission's recommendations, to which the hon. SB. Chavanji has referred, the finances of the State Governments suffered a great deal; they suffered in an unimaginable manner and they came to the Centre. They came to us and said, 'You must help us.' We went out of our way to help them.

Sir, Members would recall that in last year's Budget, I had set apart a sum of Rs. 3,000 crores through the Budget and another Rs.2,000 crores through additional borrowing from the market--a total sum of Rs. 5,000 crores--in order to be able to help the State Governments. Therefore, when we talk to the State Governments, they are all not only willing, but they go out of the way to tell us that in this Government led by Shri Atal Behari Vajpayee, they have found a real friend, in the sense that we have gone out of our way to help the States. We will continue to help the States, but as far as the Finance Commission's award is concerned, this is final; and so far, no Finance Commission's award has been interfered with. That is the picture, Sir.

There has been one very important issue which has been raised by Shri Nilotpal Basu and that is with regard to the public sector undertakings. An impression is being sought to be created that this Government is anti-public sector; that we are going to indiscriminately disinvest or privatise all public sector units; that we are interested only in closing down all the public sector units; we are not interested in the public sector at all. That is a totally erroneous impression. Sir, again, in the two-and-a-half years that we have been in office, we have taken steps to revive them, at a considerable cost to us. Twenty public sector units in this country have been revived, including SAIL and HMT. Sir, if we were not interested in reviving these, we would not have gone out of our way to do that. At the same time, I had very clearly mentioned in the Budget Speech this year what our policy towards the public sector is. We had said, one, we would revive wherever a PSU can be revived; two, we would close down wherever a PSU can't be revived; three, the interests of the workers would be fully protected.

Now, the point is, if a unit is closed for five years, if a study after study shows that that unit can't be revived, and the reason for which that came into business does not exist at all, then shall we go on paying the

workers idle wages? We could do that. Indeed, it has been done, Sir, because the previous Governments had followed a policy of drift. If drift is, perhaps, the best policy, then, I would not have sat here and listened to the criticism of friends like NiStpal Basu, because we will not be doing that. Even in this year's Budget, we have provided non-Plan grants for payment of wages and salaries. I hasten to say in this House that at this point of time there is no proposal pending in the Ministry of Finance from any administrative Ministry in regard to payment of wages. If there is, then those Ministries have to come. The Finance Ministry will not go out of its way to find out from various Ministries whether they have paid wages in

their undertakings or not {Interruptions}... Sir, but ! will not at all be

apologetic about the fact that units which cannot be revived have to be closed down. ...{interruptions}... The Government will decide that because the Government of the day has been elected by the people of this country, with the authority to take decisions. That is why the Government of the day will take that decision also. The Government must follow a pro-active policy. We cannot- just sit around and watch helplessly. Sir, let me

say....{Interruptions}... Sir, we have adopted the Gujarat pattern of

voluntary separation. In Gujarat, they were able to arrange closure of a number of textile mills in Ahmedabad and other parts of Gujarat because they offered a very attractive voluntary separation package. The Government of India considered this and we have also decided to adopt the Gujarat pattern of voluntary separation which gives a very fair deal to the workers, depending on how many years of service they have put in, how

many years of service they are left, etc., etc. {Interruptions}... But let me say that if we do not adopt this closure route, then the only other route, under the Company Law, is the winding up proceedings. And once a company is taken up for winding up, the High Court passes that order, that order becomes final and the workers do not get anything. {Interruptions}... Sir, I have said 'winding up in cases where there are BIFR orders for winding up, and not Government of India's orders. ...{Interruptions}...

SHRI NILOTPAL BASU: The companies which are before the BIFR, you have decided to close down them {Interruptions}... i am listening to him quietly. What I feel is that the point that the hon. Finance Minister is making is not at all correct. ...{Interruptions}...

SHRI YASHWANT SINHA: Sir, wherever there are legal orders for winding up, those orders have to be obeyed. And it is only there that we

have provided funds for winding up. In other cases, we will negotiate with the workers. We have already talked to the trade unions. Let me assure the House that when we talked to the trade unions, none of the trade union represented in that meeting where the Prime Minister was present, said that you must carry on with loss making units or closure. So, there is no ambiguity with regard to our public sector policy. Sir, some very important issues have been raised by Rahman Saheb regarding excess grants. Now, this is the first batch of Supplementary Grants. These are items of expenditure which could not have been anticipated at the time when we were preparing and presenting our Budget because the expenditure Budget is finalised sometime towards the end of January. All expenditure after that, which had been unanticipated, like the expenditure on electronic voting machines, could not have been anticipated because the Election Commission approached us only recently that they need Rs. 150 crores for buying electronic voting machines. Similarly, as far as the excess grants are concerned, the excess grants also go through a route; the CAG, the Public Accounts Committee, and only after the Public Accounts Committee goes into this matter and makes a recommendation, that we come to Parliament; the Government comes to Parliament for regularisation of the excess grants.

The excess expenditure of 1997-98, which is also a very routine thing, is only Rs. 370.07 crores and out of this, Sir, Rs. 356.41 crores is technical excess on account of transfer of revenue surplus by the Department of Telecommunications to the Reserve Fund. Under the existing procedure DOT requires a vote of Parliament to transfer its revenue surplus to its reserve fund. Therefore, we have come before Parliament because it is not expenditure; actually it is transferring their surplus revenue to the reserve fund and I need Parliament's approval for this purpose. This has been done on the basis of the recommendations of the Public Accounts Committee.

SHRI K. RAHMAN KHAN: What about the system of accounting by the Public Accounts Committee?

SHRI YASHWANT SINHA: Sir, that is followed up. I would like to say in regard to austerity, on a point raised by Shri Rajiv Shukla on control and expenditure, we are very alert to this and I have personally taken a meeting of all the Financial Advisers of the different Ministries and I have issued very strict instructions that not only shall we keep within the

budgeted level but we must also ensure that expenditure is quality expenditure, that it is not wasteful expenditure and each Financial Adviser is personally responsible for this. But, there is a well laid down procedure for dealing with audit objections and this is the procedure that we follow in regard to PAC's, the CAG's report and all the Ministries are under instructions to follow this up. Now, an issue was raised by Mirza Abdul Rashid about Jammu and Kashmir. I think I should point out to him that when the Governor of Jammu and Kashmir spoke to me about six or eight weeks ago, he said finalisation of the Plan is taking time and he asked whether we could do something because the working season in Jammu and Kashmir will be over in November and whether we could do something immediately to help. The Planning Commission was waiting for the Report of the Eleventh Finance Commission in order to finalise the Plan. They, have started the process now. I immediately agreed to release Rs. 400 crores to the State of Jammu and Kashmir so that they could take care of their developmental plans. I would like Mirza Rashid to please take note of it and make sure that the District Developmental Committee meetings are held and that developmental schemes are taken in hand so that the process is not halted. Sir, I now come to the last issue which had been raised by Shri Nilotpal Basu and this is in regard to the Indo-Mauritius Double Taxation Avoidance Treaty. I am grateful to him for having raised this issue because it gives me an opportunity to clear many doubts which many Members might entertain. Sir, the Indo-Mauritius Double Taxation Avoidance Treaty was notified in 1983. In 1992, the foreign institutional investors were allowed to invest in Indian capital market. Immediately or about the same time investments started • flowing in from 1993. In 1993 itself, Mauritius passed the Mauritius Offshore Business Activities Act which allowed offshore companies to be set up in Mauritius. Now, Sir, Mauritius is not the only country where there is no capital gains tax. We have treaties with 16 countries like Cyprus, Denmark, France, Hungary, Indonesia, Kenya, Korea, Mauritius, Netherlands, Romania, Spain, Syria, Tanzania, Thailand, United Arab Emirates and Zambia which also do not have capital gains tax and we have double taxation avoidance treaty with them also. Therefore, Sir, it is not very unusual that we have this treaty with Mauritius which does not charge capital gains tax. The other issue, as Shri Nilotpal Basu has said, is, why did we issue the Circular of 13th April, 2000? The brief history is this. The Mauritius's Finance Minister came to India. He met me and discussed a number of issues and then he went back. Immediately after he went back, he sent me a letter through the Indian High Commissioner in

Mauritius. In that letter, which he wrote to me on the 27 March, 2000, he says that Mauritius is trying to develop into a large finance centre in the Indian Ocean and we have had the most friendly relations. Therefore, he says, he had heard that we were going to tax companies which were resident in Mauritius. This was on 27th March, 2000 -- well before I got to know anything about it -- and he said that it will not be fair to impose this tax and it is contrary to the Treaty. This letter, as I said, was forwarded to me by our High Commissioner in Mauritius and in his letter, he said, "I would respectfully submit that in keeping with the spirit of our relations, no precipitate action should be taken by officials in Mumbai before the Mauritians are given an opportunity to address our concerns and present their point of view." This letter came in the normal course. I sent it to the Department of Revenue for its examination. Then, Sir, some of these notices were issued to twenty-four foreign institutional investors and, as Shri Nilotpal Babu was saying, it had a very, very adverse impact on the Stock Market. I remember, in one day, the Bombay Stock Market fell by 365 points. Now, there could be Finance Ministers who don't lose their sleep over what happens in the Stock Market. I would say, I am not one of them.

SHRI NILOTPAL BASU: I also said...{Interruptions}...

SHRI YASHWANT SINHA: I am not. I am admitting it freely and frankly. Sir, this matter was examined by both the SEBI, as well as by the Department of Revenue, the CBDT. When this question was gone into and before this Circular was issued, we discovered -- I mean, the CBDT knew -- that in March, 1994, another circular on the same issue was issued. This is Circular No. 682; date of issue is, 30th March, 1994. What does it say? It says, "...Therefore, any resident of Mauritius deriving income from alienation of shares of Indian companies will be liable to Capital Gains Tax only in Mauritius as per Mauritius Tax Laws and will not have any Capital Gains Tax liability in India." This is not issued by the Finance Ministry when Yashwant Sinha was the Finance Minister. This is of 30th March, 1994, and says very clearly that capital gains taxed only in Mauritius as per the Mauritius Tax Laws and will not have any Capital Gains Tax liability in India.

SHRI NILOTPAL BASU: How does \{...interruptions\}...

SHRI N.K. PREMACHANDRAN (Kerala): He is comparing the things before 1996 with...{Interruptions}...

SHRI M. VENKAIAH NAIDU: If you do, it is good. If we do the same thing, it is bad...(*Interruptions*)...

SHRI YASHWANT SINHA: Sir, what is it that was clarified by the Circular that was issued by the CBDT on 13th April, 2000? The only thing that was clarified was, it said, "It is, hereby, clarified that wherever a certificate of residence is issued by the Mauritius authorities, such certificate will constitute sufficient evidence for accepting the status of residence as well as beneficial ownership for applying the DTAC accordingly." This is the clarification. If the Government of Mauritius says that this company is resident in Mauritius then, under the Treaty, we will accept that. Then, under the treaty we will accept that. This is the clarification that has been issued. That is all. There is nothing more, I would like to say that if I, as a sovereign Government, the Government of India, issue a certificate to an Indian company and that certificate is challenged by another Government, we will certainly feel bad that our sovereign right is being interfered with. Now, this is the issue which has been highlighted by Shri Nilotpal Basu. He was talking about treaty shopping and the OECD. Let me assure him that Mauritius is not one of those 47 or 35 odd countries which have been identified by the OECD as a tax-haven. Mauritius is not that, because of some recent steps that Mauritius has taken, and more steps that they have taken. And this issue, Sir, has not been debated in the last few years, only in the last few months. This issue has been debated between the Department of Revenue and the Department of Economic Affairs, within the Ministry of Finance during all these seven years that this off-shore issue came up. The arrangements were made by the Government of Mauritius, and the considered view of Governments, before this Government came into office, was that we will rather prefer investment through the Mauritius route than the little tax that you might get by imposing or doing away with this treaty. That is the finding, that is the conclusion that has been reached; and as far as I am concerned, I am only saying is that I am going along with that understanding. So, let me put any doubt at rest; there is nothing more to it except, once again, the treaty obligation entered into with a friendly, sovereign, State, we are trying to observe. Sir, I have taken a good deal of time of this House, but I would like to assure that whether it is Indian agriculture; whether it is Indian industry; small-scale industry, in particular, this Government is totally committed to protecting their interests. We shall continue to work for the farmers of this country. We shall continue to work for the workers of this country. We shall continue to work for the

poor people and the weaker sections of this country. This is the sum total of the economic policy of this Government to which we shall remain committed. With these words, I commend that this House return the Appropriation Bill.

SHRI S. VIDUTHALAI VIRUMBI: Mr. Vice-Chairman, Sir, during his reply, the hon. Finance Minister...*interruptions*)

THE VICE-CHAIRMAN (SHRI RAMA SHANKER KAUSHIK): Only one point.

SHRI S. VIDUTHALAI VIRUMBI: Sir, it is very important. *interruptions*)

SHRI NARENDRA MOHAN: There should be no speech.

SHRI S. VIDUTHALAI VIRUMBI: There will be no speech. I am directly coming to the point. It is affecting the whole nation. The hon. Finance Minister, when he was replying, categorically stated regarding the Eleventh Finance Commission's award. The words used by the hon. Finance Minister were 'that is final'. Then, another thing is, "no Finance Commission has ever been interfered with", this is the sentence used by the Finance Minister. But, Sir, I feel that there is a difference between the observation reported to have been made by the Prime Minister and the reply given by the Finance Minister to this Supplementary Demand, regarding the devolution of funds from the Centre to the States. Sir, today's "Hindu" says.... *interruptions*)

THE VICE-CHAIRMAN (SHRI RAMA SHANKER KAUSHIK): No, no.

SHRI NARENDRA MOHAN: Is it a question. I am sorry. *..(Interruptions)*

SHRI S. VIDUTHALAI VIRUMBI: Sir, when you asked me to sit down, I sat down on the assurance that...(*interruptions*)

THE VICE-CHAIRMAN (SHRI RAMA SHANKER KAUSHIK): You please ask the question.

SHRI NARENDRA MOHAN: Let there be a question, Sir.
(Interruptions)

SHRI S. VIDUTHALAI VIRUMBI: Sir, I quote from The Hindu, "The day-long deliberations by Sir Chief Ministers and representatives of two State Governments over the discriminatory recommendations of the Eleventh Finance Commission...interruptions)

THE VICE-CHAIRMAN (SHRI RAMA SHANKER KAUSHIK):
You please ask the question. Everybody has read it. (Interruptions)

आप प्रश्न कीजिए।

SHRI S. VIDUTHALAI VIRUMBI : Sir, it is an important issue. I quote from the "Hindu". It says: " The day-long deliberations by six Chief Ministers and representatives of two State Governments over the "discriminatory" recommendations of the Eleventh Finance Commission ended with an assurance from the Prime Minister, — ended with an assurance from the Prime Minister—Mr. A.B. Vajpayee ...

उपसभाध्यक्ष (श्री रमा शंकर कौशिक): आप प्रश्न कीजिए। यह सब नहीं लिखा जाएगा। आप कृपया प्रश्न कीजिए।

SHRI S. VIDUTHALAI VIRUMBI: Sir, this is a very important issue; otherwise, I would not have interrupted. What for did the six Chief Ministers assemble yesterday? What for? This is not a small issue to be dealt with. I quote: "...that the points raised would be considered in the second report of the Commission, expected by the month-end." In another statement it is said: " Mr. Sinha is understood to have told the delegation that the Government would try to address the points raised by them, within the parameters of financial viability of the Centre and the States." But now he says, 'this is final'. Therefore, I feel that the observations that are reported to have been made by the Finance Minister, as it has come in the press, are totally different from the reply given to this House. Therefore, this may send wrong signals to the nation. We want an assurance from the hon. Finance Minister as well as the Government that there should be a relook at the devolution of resources.

उपसभाध्यक्ष (श्री रमा शंकर कौशिक): आप कृपया बैठिए।

SHRI S. VIDUTHALAI VIRUMBI: We want an assurance from the Government. There must be a relook.

SHRI NILOTPAL BASU: First of all, I must compliment the Finance Minister because I think there is no dispute on the facts. But my basic question was this. I have got a copy of the assessment that was made of one of these FIs. There, the Income-tax authorities have marshalled all legal precedents, Supreme Court orders, case studies of international laws and whatever has happened. To my belief, they have covered all escape routes for asking clemency under the Double Tax Avoidance Treaty. Since this is also as much a legal issue, why didn't the Finance Minister refer the case to either the Law Ministry or the Attorney-General⁹

SHRI YASHWANT SINHA: Sir, two issues have been raised here. First, I will respond to Shri Viduthalai Virumbi. There is no contradiction in what I have said on the floor of this House and what I told the Chief Ministers, and what the Prime Minister told the Chief Ministers yesterday. The Report of the 11th Finance Commission, which was submitted on the 7th of July, is the final report. They are supposed to submit a supplementary, a second, report, to which a reference has been made in this news report that he was reading. Let us not labour under the impression that the first report of the Finance Commission is an interim report or it is not the final report. That was the clarification that I was making. That is the first point. The second point is this. Who is going to sit in judgement over the Finance Commission? Who is going to sit in judgement over the Supreme Court? Because in this case, the Finance Commission gives an award. Now, shall we, in Parliament, sit in judgement over the award? Shall the Chief Ministers and the Central Government who are all interested parties sit in judgement over the Finance Commission? This is not the design of the Constitution. That is why the Constitution decided that there will be an independent body which will go into this. So, we hold that while we shall not interfere with the report of the Finance Commission, we shall, at the same time, await the second report of the Finance Commission; find out what they have to say; and, after that, when the situation becomes absolutely clear, we shall, as we have indeed done in the past, continue to help the States so that their financial problems are taken care of. This is what I have said. (Interruptions) Sir, in regard to the issue which has been raised by Shri Nilotpai Basu once again, I have not mentioned it in this House, but I think this is an appropriate occasion when I should mention

that the whole issue which has been raised by him is the subject - matter of litigation between the CBDT and certain parties, through two public interest litigations. The legal validity of the circular issued by the CBDT is under question in the courts of law and they will determine as to whether we were within our rights to issue that circular or not. But I have gone only by the precedent which exists in the CBDT. The Central Board of Direct Taxes consists of experts. If Mr. Basu is very much impressed by the order issued by the concerned Joint Commissioner in Mumbai, let me assure him that the experts, who constitute the CBDT, had taken all those points which have been incorporated in the order of the Joint Commissioner, into account before coming to the conclusion that such a circular can be issued. Thereafter, they issued that circular. The legality or otherwise of it is already before the court and we shall await their judgment in the matter.

उपसभाध्यक्ष (श्री रमा शंकर कौशिक): मैं अब पहले विनियोग (संख्यांक 3) विधेयक, 2000 को वोट के लिए रखूंगा। प्रश्न यह है।

"कि वित्तीय वर्ष 2000-2001 की सेवाओं के लिए भारत की संचित निधि में से कतिपय और राशियों के संदाय और विनियोग को प्राधिकृत करने वाले विधेयक पर लोक सभा द्वारा पारित रूप में विचार किया जाए।"

प्रस्ताव स्वीकृत हुआ।

उपसभाध्यक्ष (श्री रमा शंकर कौशिक): अब हम विधेयक पर क्लॉज से क्लॉज विचार करेंगे।

क्लॉज 2 और 3 और अनुसूची विधेयक का अंग बने।
क्लॉज 1, अधिनियमन सूत्र तथा शीर्षक विधेयक का अंग बने।

SHRI YASHWANT SINHA: Sir, I beg to move: "That
the Bill be returned".

प्रस्ताव पर मत लिया गया और वह स्वीकृत हुआ।

उपसभाध्यक्ष (श्री रमा शंकर कौशिक): मैं अब विनियोग (संख्यांक 4) विधेयक 2000 को वोट के लिए रखूंगा। प्रश्न यह है:

“कि 31 मार्च को 1998 समाप्त हुए वित्तीय वर्ष के दौरान कतिपय सेवाओं सेवकों पर उन सेवाओं तथा उस वर्ष के लिए स्वीकृत राशियों से खर्च की गई अधिक राशि को पूरा करने हेतु भारत की संचित निधि में से राशि के विनियोग को प्राधिकृत करने वाले विधेयक पर, लोक सभा द्वारा पारित रूप में, विचार किया जाए। प्रस्ताव स्वीकृत हुआ।

उपसभायक्ष(श्री रमा शंकर कौशिक): अब हम विधेयक पर क्लॉज से क्लॉज विचार करेंगे।

क्लॉज 2 और 3 और अनुसूची विधेयक का अंग बने।

क्लॉज 1, अधिनियमन सूत्र तथा शीर्षक विधेयक का अंग बने।

SHRI YASHWANT SINHA: Sir, I beg to move: "That the Bill be returned".

प्रस्ताव पर मत लिया गया और वह स्वीकृत हुआ।

उपसभायक्ष(श्री रमा शंकर कौशिक): अब हम दिनांक 24 अगस्त, 2000 दिन बृहस्पतिवार के 11 बजे पूर्वाह्न तक के लिए उठते हैं।

The House then adjourned at eight of the clock till eleven of the clock on Thursday, the 24th August, 2000.