

**Title :** Constitution (Eighty-Ninth Amendment) Bill (Amendment of article 269, Substitution of new article for article 270 and Omission of article 272)

MR. SPEAKER: Now, the House will take up the Legislative Business. Shri Yashwant Sinha. All right, Shri Dhananjaya Kumar to move it.

...(Interruptions)

**श्री विजय गोयल (चांदनी चौक) :** आपने ज़ीरो ऑवर को परमिट किया जबकि ज़ीरो ऑवर सुबह चला गया था। उसके बाद जिनके 377 हैं, उनको आप परमिट नहीं करते। यह पार्लियामेंटी रूल्स के...(व्यवधान)

**अध्यक्ष महोदय :** सबको अकोमोडेट नहीं कर सकते न।

...(व्यवधान)

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): Mr. Speaker, Sir, on behalf of Shri Yashwant Sinha, I beg to move:\*

"That the Bill further to amend the Constitution of India, be taken into consideration."

Sir, I rise to commend the Constitution (Eighty-Ninth) Amendment Bill, 2000 for the consideration of this august House. ...(Interruptions)

SHRI SOMNATH CHATTERJEE (BOLPUR): I have all the respect for him. He is a very competent Minister...(Interruptions)

MR. SPEAKER: Shri Somnath Chatterjee, he has taken the permission.

...(Interruptions)

SHRI SOMNATH CHATTERJEE : It should not have been asked for. What is this? ...(Interruptions) I have nothing against him. He is a very competent Minister. Although in that place, I do not know. ...(Interruptions) But the question is that it is a Constitution (Amendment) Bill. ...(Interruptions)

\* Moved with the recommendation of the President

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF INFORMATION TECHNOLOGY (SHRI PRAMOD MAHAJAN): I totally appreciate that this being a Constitution (Amendment) Bill, it should be piloted by the Finance Minister. Though technically, legally and competence-wise Shri Dhananjaya Kumar can also pilot it, Sir, our problem is that the Finance Minister is piloting the Finance Bill in the other House. So, he cannot be present here. He will come to this House for the reply. ...(Interruptions)

SHRI SOMNATH CHATTERJEE : That shows you are not able to make proper time management. ...(Interruptions)

SHRI DHANANJAYA KUMAR: I am sure with the able contribution from senior Members like Shri Somnath Chatterjee, I think, we will be in a position to consider this Bill...(Interruptions)

MR. SPEAKER: With that spirit.

SHRI DHANANJAYA KUMAR: With all propriety.

SHRI SOMNATH CHATTERJEE : You should have said 'sorry'.

SHRI DHANANJAYA KUMAR: I am sorry, Sir.

Sir, this Bill seeks to amend articles 269, 270 and 272 of the Constitution so as to bring several Central taxes and duties like Corporation tax and Customs duties within the divisible pool which were hitherto outside the pool. Under the new devolution formula recommended by the Tenth Finance commission, 26 per cent out of the "gross proceeds" of Union taxes and duties, excluding certain specified taxes and duties, is to be assigned to the States. In addition, 3 per cent share in the "gross proceeds" of all Central taxes and duties is to be assigned to the States in lieu of their existing share in additional Excise duties. This Government commends that the recommendations of the Tenth Finance Commission may be approved with the following modifications: ...(Interruptions)

SHRI VARKALA RADHAKRISHNAN (CHIRAYINKIL): Recommendation is amended. ...(Interruptions) Amendments have also been made....(Interruptions) They are detrimental to the interests of the States. ...(Interruptions)

MR. SPEAKER: Shri Varkala Radhakrishnan, please take your seat.

SHRI DHANANJAYA KUMAR: First, the percentage share of States will be reviewed by successive Finance Commissions instead of freezing it for 15 years as suggested by the Tenth Finance Commission. ...(*Interruptions*)

SHRI VARKALA RADHAKRISHNAN : You have made it five years. ...(*Interruptions*)

SHRI SOMNATH CHATTERJEE : Mr. Speaker, Sir, you allow Shri Varkala Radhakrishnan to speak for five minutes later. ...(*Interruptions*)

MR. SPEAKER: Definitely. I will allow Shri Radhakrishnan to speak.

...(*Interruptions*)

SHRI VARKALA RADHAKRISHNAN : This is something which is very peculiar....(*Interruptions*)

SHRI DHANANJAYA KUMAR: Secondly, the share of "gross proceeds" as recommended by the Tenth Finance Commission changed to the sharing of "net proceeds" in order to maintain consistency between articles 270, 279 and 280 of the Constitution. However, this will not result in any consequent loss to the States because the Government has also simultaneously decided to fully compensate the States by suitably enhancing the percentage share beyond 29 per cent to cover the difference between the share in "gross proceeds" and the share in "net proceeds".

Thirdly, as intended by the Commission, no amendment is sought to be done in Article 271, which authorises the Central Government to levy surcharge on Central taxes and duties for the purpose of the Union.

Sir, as may be seen from the Statement of Objects and Reasons, the proposed amendment will greatly benefit the States as the aggregate of the divisible pool will increase. Moreover, it will remove a perceived inter-State bias in the tax mobilisation effort of the Union Government. In fact, the Inter-State Council also has agreed to these proposals made by the Tenth Finance Commission, unanimously.

With these words, I commend the Bill for the consideration of this august House.

MR. SPEAKER: Motion moved:

"That the Bill further to amend the Constitution of India, be taken into consideration."

SHRI VARKALA RADHAKRISHNAN : I beg to move:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 30th August, 2000."

SHRI PRAMOD MAHAJAN: Mr. Speaker, Sir, before we start the discussion, I would like to make a request to the House. The Business Advisory Committee has allotted two hours for this Bill and this being a Constitution (Amendment) Bill, if you can kindly fix up the voting time, then all the Members can be present here. If two hours are given for discussion, then the Minister can reply at 4.45 p.m. and we can have voting at 5 o'clock.

MR. SPEAKER: We will have voting at 5 o'clock.

SHRI PRAMOD MAHAJAN: So, the Minister can reply at 4.45 p.m.

MR. SPEAKER: Yes.

SHRI RAMESH CHENNITHALA (MAVELIKARA): Mr. Speaker, Sir, this is a very important Constitution (Amendment) Bill, which is piloting by my hon. friend, Shri Dhananjaya Kumar. This Bill has been brought forward to implement the proposal for the devolution of 29 per cent of the Central taxes to the States.

1452 hours (Shrimati Margaret Alva *in the Chair*)

As the Minister has mentioned, this Bill was introduced earlier in 1998. It had been scrutinised by the Standing Committee and the report of the Standing Committee is with the House. Since the last Lok Sabha had been

dissolved suddenly, this Bill had lapsed.

The Tenth Finance Commission, with a noble idea, has recommended certain very important and revolutionary steps regarding the sharing of Central taxes to the States. The Tenth Finance Commission has been guided by the cardinal principle of equity and efficiency. This paramount guideline was to restore fiscal equilibrium in the economy. The recommendations of the Tenth Finance Commission are a landmark for the genuine federalism of our country. The alternative scheme, which has been suggested by the Tenth Finance Commission is going to help the States.

Since Independence, the States have been crying for more and more share from the Centre. The share, which is earmarked, is not at all sufficient for the States. For a genuine federalism, we need self-sufficient States and a strong Centre. From our experience of the last 50 years, we can see that the States are starving and the Centre is not ready to share their taxes and duties. Due to this, the States are facing a lot of financial difficulties. The gross fiscal deficit of the States has increased from Rs. 59, 776 crore to Rs. 78, 000 crore and the Reserve Bank of India has observed this as a very serious issue.

The States are not in a position to raise the resources. At the same time, their expenditure is increasing day by day because the States have to meet large social obligation. Now, the salary of the Government employees constitutes a major share of the revenue of every State because the salary is a big issue before every State Govt. The State Governments cannot shelve the social security schemes. Every day, the demands are going up. But the States are not in a position to meet the expenditure on these growing demands because of the financial crunch which they are facing. Because of that, the Tenth Finance Commission has come up with a very important step of sharing of taxes and duties, that is, the alternative scheme.

Here, it is very unfortunate to note that the Government is not following the scheme which is formulated by the Tenth Finance Commission in to. The modification which is suggested in this Bill is totally defeating the purpose of the alternative scheme suggested by the Tenth Finance Commission. Number one modification, they are saying, is the change in the terminology of 'gross proceeds to net proceeds'. This will result in a loss of about Rs. 2,000 crore to the States as far as the devolution is concerned. The hon. Minister right now said that they were going to give certain assistance to the States to rectify this. That is a vague statement. The House would like to know in which way the Government is going to compensate for this. Because of this terminological change, Rs. 2,000 crore have been denied to the States. This is the most important issue. The explanation given by the Minister is not clear. So, I would request the hon. Minister through you that the States should not be deprived of this. I wanted to know how the Central Government is going to compensate the States.

The second amendment which has been put forward is regarding the time frame. The Tenth Finance Commission has recommended the timeframe for 15 years. The freezing period is for 15 years. Now, the Central Government has fixed it for five years. I would like to know what are the reasons for this change. The reason which they are giving is some what satisfactory. After a long exercise, the Tenth Finance Commission has recommended this. By this, the Government is defeating the purpose of the alternative scheme which has been forwarded by the Tenth Finance Commission. The question before us is how to satisfy the needs of the States. As I explained here earlier, the deficit is increasing. The States are starving and they are not in a position to implement any kind of programmes. The popular demands are increasing day-by-day. The States are not in a position to give even the salaries. By taking all these aspects into consideration under the Chairmanship of Shri K.C. Pant, the Tenth Finance Commission has given this suggestion for an alternative scheme.

I can very well say that this has to be viewed very seriously because a lot of apprehensions are in the minds of the people. Even now, the States are asking for more share. Now, we are giving 29 per cent. At the same time, the States are not satisfied with that because of their financial position.

**15.00 hrs.**

The States are asking for more financial aid and for more sharing from the Centre. As I explained earlier, the States are not in a position to satisfy their needs. Madam, for a genuine federalism, this is very much needed. So, in view of the economic liberalisation and the political movements in the States, their financial arrangement with the Centre may be overhauled drastically.

Madam, the Panchayati Raj Institutions also have burdened the Exchequer with more demands. I would like to know how are we going to give more autonomy to the Panchayat institutions. That is also a big issue before the States. How will we be able to mitigate these issues? After the Panchayati Raj came into existence the States are facing crisis. They have been given more powers, but because the financial position of the States is very grave, the Panchayati Raj Institutions are not getting proper financial support from the States. This is also a very serious issue to be dealt with. So, the States want more and more financial support from the Centre.

Madam, the Government of West Bengal has asked for 33 per cent, the State of Kerala and North-Eastern States are asking for more than 40 per cent of the share. Of course, their demand is very genuine. If you go through the details of the memoranda submitted by the State Governments before the Tenth Finance Commission, you will be able to see that these are all genuine demands. So, my request to the hon. Finance Minister is that there should be an attempt to give more and more financial allocations to the States to meet the challenges.

I come from Kerala, which has demanded 40 per cent of devolution of duties. We have been deprived of proper financial allotment for so many years. I do not want to go into the details because of paucity of time. But I urge upon the hon. Finance Minister that States like Kerala should be given more financial support because we have achieved a lot in the social security sector. We have implemented lot of measures in the field of family planning and in other social sectors. We have spent more and the standard of living of people is going up there. The State is prospering like anything and because of that we should not be denied more and more assistance.

Of course, by the concerted efforts of the popular Governments in the State, we have implemented lot of programmes, on social security schemes and because of the social security schemes, the standard of living of people there had gone up. The number of people living above the poverty line have gone up. So, I would request the hon. Finance Minister that because of all these development, we should not be penalised. The State should get the benefit that it deserves.

The State of Karnataka, from where the hon. Minister of State for Finance belongs, has also demanded for 40 per cent of the share, though Karnataka is a better managed State financially. If you go through the financial position of Karnataka, it is financially well managed State as compared to other States. I do not want to name them. But some of the Northern States are in very bad position. The State of Karnataka which is economically and financial better managed is maintaining some kind of discipline. They are asking for more devolution of tax shares to the State.

Madam, I urge upon the hon. Finance Minister to view it in a very subtle manner to satisfy the needs of the States.

Madam, in view of the changed situation -- economic liberalisation and globalisation -- we have to view this aspect very seriously. Even the Eleventh Finance Commission has submitted a preliminary report. It has also made certain suggestions. So, the more attention of the Finance Ministry should be to help the States.

506. Therefore, for a genuine federalism and also for strengthening the federal system in our country, there must be self-sufficient States and a strong Centre. So, the entire effort should be towards that.

507. With these words, I conclude my speech

**श्री किरीट सोमैया ( मुम्बई उत्तर पूर्व):** स्भापति महोदय, मैं इस बिल का समर्थन करने के लिये खड़ा हुआ हूँ। मेरे मित्र श्री रमेश जी को आज 50 साल के बाद फ़ैडरलिज्म याद आया, जिसके लिये मैं उनका आभार मानता हूँ। कहते हैं कि - देर आयद दुरुस्त आयद - अगर यही बात एन.डी.ए. से पहले की सरकार करती.....(Interruptions)

**श्री रमेश चैन्निताला :** हमारी सरकार ने पहले अपाईंट किया था।

**श्री किरीट सोमैया :** लेकिन जो दसवें वित्त आयोग की रिपोर्ट आई है, मेरे ख्याल से उसे 3-4 साल हो गये हैं। वास्तव में, इसे इम्प्लीमेंट करने के लिये हमारे साथी उधर से कह रहे हैं। वे बतायें कि 1996 से 1998 तक यहां किसकी सरकार थी? हमारे वित्त मंत्री जी की हिम्मत देखिये जिन्होंने ईमानदारी से कहा है कि केन्द्र और राज्यों को मिलकर इस देश को चलाना है। फ़ैडरलिज्म को केवल चुनावी घोषणा पत्र तक सीमित न रखकर, उस पर अमल करने का काम श्री वाजपेयी जी के नेतृत्व में एन.डी.ए. की सरकार कर रही है। इसके लिये मैं पुनः वित्त मंत्री जी का अभिनन्दन करना चाहता हूँ। यह बात सही है कि 26 परसेंट से 29 परसेंट की बात की गई है लेकिन इस 3 परसेंट में भी कन्फ्यूजन है। मेरी जानकारी के अनुसार, जब इसे 26 परसेंट कर रहे थे, लेकिन अब 29 परसेंट नैट देने का प्रावधान है, उसके कारण स्टेट को कितना फायदा या नुकसान होगा, यह 26 से 29 परसेंट दिलाने की बजाय, हम यह सोचें कि 1995 तक उनको कितनी राशि मिली और एन.डी.ए. की सरकार उस में कितना बढ़ोतरी कर रही है, यदि हम उस पर विचार करें तो ज्यादा उचित होगा।

स्भापति महोदय, मैं इस विधेयक का समर्थन करता हूँ। इसके साथ साथ मैं वित्त मंत्री जी का ध्यान इस ओर आकर्षित करना चाहूंगा कि आप जो फंड्स या टैक्सेज लेने वाले हैं, उसमें राज्य सरकार को कितना भाग नैट देने वाले हैं, इस टैक्स कलेक्शन मशीनरी में कैसे सुधार कर सकते हैं और उसका जो एडमिनिस्ट्रेटिव एक्सपेंडिचर आता है, उसे कैसे मिनिमाइज कर सकते हैं? अभी हमारी केन्द्रीय सरकार की एक मिनिस्ट्री ने एकाध महीने पहले, एक स्कीम पब्लिश की। हालांकि इसका इससे कोई संबंध नहीं है फिर भी एन.जी.ओज़ को ग्रांट देने के लिये एक विज्ञापन अखबारों में आया। कुछ एन.जी.ओज़ ने प्रार्थना पत्र दिये। पहले ये प्रार्थना पत्र तहसीलदार के पास जायेंगे, उसके बाद कलेक्टर के पास, वहां से ट्रांसपोर्ट कमिश्नर के पास, फिर राज्य सरकार के पास वैरीफिकेशन के लिये जायेंगे और बाद में केन्द्र सरकार के पास आयेंगे, तब जाकर डिपार्टमेंट उनको ग्रांट देगा। मेरी जानकारी के अनुसार सभी अखबारों में विज्ञापन दिया गया है लेकिन ग्रांट केवल 30 लाख रुपये है। इस एडवर्टाइजमेंट में कितना एडमिनिस्ट्रेटिव खर्चा हुआ, मैं वित्त मंत्री जी से प्रार्थना करूंगा कि आप जो टैक्स कलेक्शन करने वाले हैं, उसमें जो एडमिनिस्ट्रेशन की प्लानिंग है, उसी हिसाब से टैक्स कलेक्शन का काम करेंगे तो उचित होगा।

(d2/1510/bks-mmn)

इसी के साथ मैं एक बात और कहना चाहता हूँ कि जब राज्यों का मामला सामने आया है, आप उन्हें खुले हाथ से मदद करने के लिए निकले हैं तो आप उन्हें यह भी कहिये let us bring some discipline. I want to insist on that. I want to connect it with this. केन्द्र मदद जरूर करे, केन्द्र अपना शेरर राज्यों को जरूर ज्यादा दे, लेकिन राज्यों को भी कुछ डिसिप्लिन रखना होगा। जब मैं राज्य की बात करता हूँ कि तो किसी राजकीय दृष्टि से ऐसी बात नहीं करता हूँ। मैंने पहले भी इसी सदन में कहा है कि कहीं कांग्रेस होगी, कहीं बी.जे.पी. होगी, कहीं लैफ्ट फ्रंट होगी, सब जगह अलग-अलग पार्टी की सरकारें हैं। लेकिन राज्य

सरकारों की अभी क्या हालत है, यदि उसका एक वाक्य में वर्णन करना हो so, you borrow the money recklessly and if you dole out credit generously, you must be really rich or on the verge of bankruptcy just like the State Governments in India.

आप सभी राज्य सरकारों की हालत देख लें और एक राज्य सरकार की तुलना दूसरी राज्य सरकार से करें। आज ऐसी स्थिति है कि हर एक राज्य की सरकार एक दूसरे से स्पर्धा कर रही है। स्पर्धा किसमें कर रही है, स्पर्धा डेफिसिट फाइनेन्स में अपना कर्जा और अपना वेज बिल बढ़ाने में। In just two years between 1997-98 and 1999-2000, the income-expenditure imbalance of all the States has more than doubled. It has gone from Rs. 16,000 crore to Rs.41,000 crore. दो साल में इस प्रकार की परिस्थिति हो गई। Three years ago, the total debt of all State Governments was Rs.2,43,525 crore and now it has gone up to Rs.4,09,258 crore. जो नया बच्चा जन्म लेता है तो राज्य सरकार की ओर से बच्चे के जन्म पर प्रेजेन्ट में पर कैपिटल डैट जाता है। हिंदुस्तान में जो बच्चा जन्म लेता है तो राज्य सरकार द्वारा उसके सिर पर 4308 रुपये का कर्जा थोपा हुआ होता है। वह उस कर्ज के साथ जन्म लेता है। मैं प्रार्थना करता हूँ कि वह ठीक समय में पैदा हो। जब आप राज्य सरकार को पैसे देने की बात करते हैं तो आप देख लें उड़ीसा की क्या हालत है। The income was Rs.6,196 crore and the expenditure was Rs.8,061 crore. In regard to Uttar Pradesh, the income was Rs.22,831 crore and the expenditure was Rs.29,761 crore. The income of Madhya Pradesh was Rs.14,521 crore and the expenditure was Rs.15,597 crore. हर एक प्रांत की यही स्थिति है। कोई प्रांत इससे अछूता नहीं है। सभी प्रांत एक दूसरे से स्पर्धा कर रहे हैं, आप देखें कि हर एक का वेज बिल कितना है। अगर अब आप वेज बिल देखेंगे तो आश्चर्यचकित हो जायेंगे। 1996-97 में सभी राज्य सरकारों का वेज बिल कुल मिलाकर 14950 करोड़ रुपये था। In 1998-99, it has gone up to Rs.32,122 crore. मैं वास्तव में विनती करना चाहूंगा कि जिन्होंने 1997-98 में वेज बिल बढ़ाने का काम किया, जिस सरकार या वित्त मंत्री ने यह काम किया, कभी उन्होंने राज्य सरकार को भी सुना होता। सभी प्रांतों के मुख्य मंत्रियों का चाहे वह किसी भी पक्ष का हो, सबका यही कहना है कि यहां बैठकर आपने पांचवां पे कमीशन की सिफारिशें लागू करने के बारे में निर्णय कर लिया, लेकिन इसके लिए पैसा कौन देगा, कहां से देगा। आज वेज बिल डबल हो गया। इसलिए मैडम, मैं आपके माध्यम से प्रार्थना करना चाहता हूँ कि जब कभी इस प्रकार का विचार करते हैं तो हमें इस पर भी विचार करने की अधिक आवश्यकता है।

एक दूसरी बात मेरे मित्र ने कही, उस बात में भी दम है कि राज्य सरकार को जो नेट रेवेन्यू जा रहा था, यह इम्प्लीमेंट होना एक अलग बात है। At present also, we should observe and try to understand the position of the State Government also. It is in the Reserve Bank of India's Report. In 1990, the resources from the Centre to States had fallen from 7.6 per cent. In 1990, the share of States in Central resources was 7.6 per cent and it had come down to 6.4 per cent till 1998. राज्य सरकार का हिस्सा कम हो गया, फार्मूला वही था, उसका कारण यह है, उन्होंने आगे लिखा है

उसका कारण यही है कि पिछले तीन सालों में जो रेवेन्यू ज्यादा मिलना चाहिए था - The financial mess at the Centre and economic flow-down over the past three years has also stifled the flow of money to the State. This is the report of 1999 यानी 1995 से 1998 तक जो इकोनॉमिक गो-डाउन हुआ, जो रिसोर्सिंग मोबिलाइजेशन कम हुआ, उसके कारण इस परिस्थिति का निर्माण हुआ।

अंत में एक ही बात का उल्लेख करके मैं अपनी बात समाप्त करना चाहूंगा। एक ओर सभी राज्य सरकारें अपना कर्जा बढ़ा रही हैं, लेकिन दूसरी ओर मुझे जानकारी मिली है - The Finance Minister can reconfirm, कि राज्य सरकार को कर्जा लेना है और स्टेट को गारंटी देनी है They have to approach the Centre. They have to take the permission of the Reserve Bank of India. लेकिन राज्य सरकार अपने पी.एस.यूज. हैं या अपनी बनाई हुई कार्पोरेशन्स के द्वारा कर्जा लेती है, उसके संबंध में यह प्रावधान नहीं है। The Finance Minister can correct me.

स्टेट गवर्नमेंट कर्जा लेती है, गवर्नमेंट गारंटी देती है तो सेन्टर से और रिजर्व बैंक से परमिशन लेनी पड़ती है लेकिन स्टेट गवर्नमेंट 51 परसेंट शेयर के साथ अपने स्टेट पी.एस.यूज. या कार्पोरेशन बनाती है लेकिन वहां एक नया सिस्टम पिछले दो-तीन सालों में डेवलप हुआ है और यह भी across the state. सभी राज्य सरकारें शॉर्ट कट के पीछे आकर्षित हो रही हैं। मुझे आवश्यकता ऐसी लग रही है कि अगर यह न हो और मेरा कहना गलत हो तो अच्छी बात है, नहीं तो केन्द्र सरकार को इस बारे में एक अमेन्डमेंट लाने की आवश्यकता है कि जिस प्रकार से स्टेट्स अपनी रिसोर्सिंग के सामने, इनकम के सामने उतनी ही गारंटी दे सकती हैं लेकिन पी.एस.यूज. और कार्पोरेशन द्वारा ओपन मार्केट में से बॉन्ड के द्वारा, पब्लिक से पैसा इकट्ठा करना उसके लिए बंधन नहीं है और The State Government has started collecting thousands of crores of rupees. स्थिति यह हो जाएगी कि एक दिन ऐसा आएगा जब कोई कंट्रोल उस पर नहीं रहेगा और फिर राज्य और केन्द्र सरकारों की हालत बहुत खराब हो जाएगी।

मैं मुंबई का प्रतिनिधित्व कर रहा हूँ। मेरे पास एक रिटन रिप्लाय आया है, जो प्रश्न लोक सभा में पूछा गया था। उसमें वित्त मंत्री ने माना है कि In respect of Customs duty and corporate tax the percentage of collection from Mumbai is more than 30 per cent. हमें लोग कहते थे कि मुंबई वाले खाली बातें करते हैं लेकिन मुंबई आर्थिक राजधानी है और देश का जितना भी रेवेन्यू कलेक्शन होता है, उसमें से 30 प्रतिशत मुंबई से आता है। मुंबई देश की आर्थिक राजधानी है। मुंबई में हरेक प्रांत से लोग आते हैं - कुछ आर्थिक दृष्टि से आते हैं, कुछ इलाज के लिए आते हैं और कुछ अपने रिश्तेदारों के पास आते हैं। मुंबई की जनसंख्या 10 साल पहले 80 लाख के करीब थी और आज 1 करोड़ 25 लाख हो गई है। बंगाल, तमिलनाडु, आंध्र प्रदेश या नॉर्थ ईस्ट सभी जगह के लोग आकर यहां बस रहे हैं। हमारी प्रार्थना यही है कि जब मुंबई से इतना टैक्स कलेक्शन होता है तो केन्द्र सरकार को फाइनेन्स कमीशन और प्लानिंग कमीशन से विशेष तौर पर यह बात करनी चाहिए कि मुंबई के लिए 1000 करोड़ रुपये ऐलोकेट करें। ऐसी प्रार्थना करके मैं इस विधेयक का समर्थन करता हूँ।

SHRI MOINUL HASSAN (MURSHIDABAD): Before I go into the main subject of the Bill, I seek your indulgence, to inform this august House about two or three other matters of another subject which is ultimately related to this Bill.

There was a great debate and discussion in the Constituent Assembly in 1948 regarding the Centre-State financial relations in India. In that debate hon. Alladi Krishnaswami Iyer who was a Member of the drafting committee had said:

"The financial provisions in the Draft Constitution have also come in for strong comment, while an independent course of sources of revenue are certainly necessary for the proper functioning of a federal government, there is a distinct tendency, however in the several federations, for the Central Government to act as the taxing agency, taking care to make adequate provisions for the units sharing the proceeds as also the Central or National Government granting subsidies. "

Another hon. Member, Shri Syed Mohd. Sadulla from Assam was also of the same opinion. In this perspective, I would like to mention what my hon. friend, Shri Kirit Somaiya, has mentioned about the dismal financial position of the States throughout the country. It is an unprecedented crisis. It is very alarming. He has already cited different data so far as the revenue deficit is concerned, so far as the per-capita debt is concerned, so far as the debt of the State Government is concerned. I am not going into the details. In addition to that information, I would like to say that it is happening in every State. I would like to mention here that so far as the Maharashtra Government is concerned, 73 per cent of the total income is going to salary bill; so far as the Government of Punjab is concerned, they are borrowing Rs. 100 crore per month to keep the Government afloat; and so far as the Governments of Bihar and Madhya Pradesh are concerned, they pay more in salary than their tax revenue. Why is it going on? There are many issues. There are many financial mismanagement also, but we cannot ignore the sudden increase of salary by the Fifth Pay Commission. We cannot ignore the so-called popular programmes undertaken by the Government. We cannot ignore the rampant administrative reshuffle. So, in this perspective, devolution of fund to State should be in such a manner that State Government at least take some development work and face every year happening 'natural calamity' squarely.

Madam, I seek your indulgence to inform the House about the Reserve Bank of India's recent publication. So far as the transfer of resources from the Centre to the States under the head of Gross Devolution and transfer of resources is concerned, there are three items – loans, shareable taxes and grants. I am very happy to inform the House that so far as the taxes are concerned, there is a 12 per cent increase in comparison with the previous year; so far as the loan is concerned, there is 11.9 per cent increase in comparison with the last year. However, Madam, I would like to say that so far as the grant is concerned, there is a deceleration of 12.2 per cent in comparison with the previous year. I would like to know from the hon. Minister as to why this is going on in respect of grants in comparison with the previous year. Here, we are debating the main issue whether it is the gross proceeds or net proceeds.

The Bill, as the hon. Minister of Finance has moved, has sought to subvert the recommendation of the Tenth Finance Commission by deciding to change the sharing of gross proceeds, as envisaged by the Tenth Finance Commission, to the sharing of net proceeds. It is not a terminological change. All the States of our country suffer by the loss of money to an extent of Rs. 2000 crore and my State is suffering to an extent of Rs. 200 crore. So, this change will not help the country.

1525 hrs.

1525 hours (Shri P.H. Pandiyan – *in the Chair*)

The hon. Minister of State for Finance has already told in the objects of the Bill, and I quote:

"However, this will not result in any consequent loss to the State because the Government has also simultaneously decided to compensate the States by suitably enhancing the percentage of share beyond 29 per cent."

He said, 'by suitably enhancing'. I doubt this. I would just like to quote another statement from the former Deputy-Chairman of the planning Commission, Shri D.T. Lakdwala. He said:

"The present distribution in India unduly favours the Union Government. In no other established federation, is the right to levy direct taxes, i.e., income-tax, corporation tax and estate duty (with few exceptions) so exclusively denied to the States. In regard to loans too, the dependence of the States is more over-riding because of various restrictions over them."

I do not think it was the intention of those who framed our Constitution. I, therefore, demand that the Government should come out with a precise balance sheet of resources accruable to the States on the basis of 'gross proceeds' and 'net proceeds' since 1996-97 till date, and also with projected figures on this account for the next five years.

They are talking about customs duty. A lot of things have been said. The hon. Minister has told that he will also have the proposed customs duty added to the divisible pool. But what is happening, you know, Sir. There have been three consecutive budgets. The Government never cared to listen to the voice of the people. They are in favour of the foreign investors and an open-door policy without restrictions. They have drastically cut down the excise duty. After cutting the excise duty, they are now including it in the divisible pool. This will not help the State Governments.

So far as sub-clause (3) of Clause 3 is concerned, the proposed Bill has sought to confine the task of the

subsequent Finance Commissions to prescribing the percentage of sharing of taxes and duties. I would like to know whether it is true that the Government wants the future Finance Commissions to only prescribe the percentage of sharing alone. If it is so, the present amendment will dilute the provision of article 280 of our Constitution.

So far as the Eleventh Finance Commission is concerned, it will come up with its final Report by 30<sup>th</sup> June. What would be the status of the terms of reference of the Eleventh Finance Commission then? It has already submitted its Interim Report. My question to the hon. Finance Minister is whether the Eleventh Finance Commission's Report would not be overlapping, in view of the fact that the Government has moved in with a proposal to modify the TFC's recommendation.

So far as the period of 15 years is concerned, already my friend Shri Ramesh Chennithala has told about that. I would only like to say about freezing of the percentage share of States for 15 years. I feel that it is a very long period and in this period, two or three Finance Commissions will come and go. But everyday a changing situation is taking place and every time if it is reviewed again, I think that is not proper.

I would like to conclude my speech by saying that our demand is very simple. The States should be assigned at least 33 per cent of the gross profit of all Central taxes and duties in order to improve the financial health of the States, which was the final intention of our Constitution-makers.

With these words, I conclude my speech. Thank you, Sir.

SHRI M.V.V.S. MURTHI (VISAKHAPATNAM): Mr. Chairman, Sir, I rise to support this Constitution (89<sup>th</sup> Amendment) Bill, 2000 because it is something better than nothing. The Bill seeks to give a little more than what they were getting previously by amending certain provisions of the Constitution. There is a little confusion here. They say that the States will get 26 per cent on certain duties and taxes and again to compensate it to 29 per cent, they give 3 per cent on certain duties and taxes which are excluding the surcharge and other taxes. Instead of making this confusion, it could straightaway be 29 per cent. I do not know the reason and rationale behind this move to make it so complicated an affair. We are in the process of simplification of laws. In this age of simplifying the laws, instead of doing so, we are making them so complicated that no common man would be able to understand about these laws.

Secondly, they say that they are giving it as per the report of the Tenth Finance Commission. To make it to 29 per cent, they are giving 3 per cent on other taxes etc. My question is that why can they not give 29 per cent straightaway from the gross taxes that are collected as per the 10<sup>th</sup> Finance Commission Report and . It is a very simple thing. With this the States will get as per the report of the Tenth Finance Commission. I sincerely hope that the hon. Minister will agree to this devolution of funds at the rate of 29 per cent of the gross collections of all taxes. If necessary they can consider amending the Constitution accordingly. They say that Articles 270, 279 and 280 come in the way. Are we not amending the Constitution now? When we are amending the Constitution now and making this constitutional amendment, we can suitably amend other Articles that are coming in the way. I cannot understand the rationale behind it. This is also to be taken into consideration. If necessary we should make this amendment and make it easier. Nowadays there is a backdoor method of surcharges. The backdoor method is not to charge the regular excise duty and customs duty and collect surcharges.

Certain surcharges are also coming now. The hon. Minister should reply on them. The surcharges are also not shareable. We are in the age of federalism. The States have to be strengthened. Their hands and legs have to be strengthened. Otherwise they are not able to stand on their own. For a very long time our Telgu Desam Party has been insisting that 50 per cent of the duties and taxes that are collected by the Union Government should be transferred to the States so that they can develop on their own. All the States can develop and at the same time they need not come and beg at the doorstep of the Union Government for each and every request. For even Rs. 2 crore or Rs. 3 crore or Rs. 5 crore or Rs. 10 crore there will be a team to ask for the money. If you share with the States properly and also bifurcate share of the duties and taxes that you collect, this situation will not arise.

What do the action reports of 10<sup>th</sup> pay commission say? The Central Government has to take care of it. One day or the other you have to give some consideration to this. This also has to be thought over of sharing 50% all taxes and duties that are collected..

What we are discussing today is based on the report of the Tenth Finance Commission. This period is already over. It is only a book adjustment. The Eleventh Finance Commission is likely to submit its full report any day. They have already submitted their part report. If the full report comes into operation, then from 1<sup>st</sup> April we have to share with the States again. The present amendment is for the period that has gone already.

Now at least by agreeing for 29 per cent gross, you can help those States which are in the debt trap. Then the States will come out of that debt trap. Every moment all the States are in the debt trap. They are not able to do anything towards development. Please consider this aspect. The States are also ours. This is a Government of the Union of the States. We are all one. If all the States have to prosper, they have to work properly and effectively. For this purpose, you kindly consider making them get 29 per cent gross of these taxes. You have to make the devolution on the basis of gross collection.

I do not want to take much time on this subject because there are other speakers also who want to express their views on this.

You have stated that the successive Finance Commissions would review the percentage share of the States, though the Tenth Finance Commission has suggested that the Government should freeze at 29% it for 15 years. We have to change along with the changing world, and we need not wait even for five years; we should be ready to make changes as and when required. We thank you for saying that the next Finance Commission, that is, the Eleventh Finance Commission will review it again.

I would request all my colleagues in the House to demand that the Eleventh Finance Commission should allocate a higher percentage of share to the States so that they can survive on their own. They will have funds to allocate for drought-prone areas, cyclone-affected areas, law and order, education, health etc. All these issues are to be dealt by the State Governments concerned, whereas master the funds are with the Central Government. By the time the States get the funds, the purpose for which they have been asking for the funds is over.

DR. NITISH SENGUPTA (CONTAI): The Central Government is no less bankrupt than the States. It was the position ten years ago.

SHRI M.V.V.S. MURTHI : If that is the case, the Central Government should cut down their expenditure. We are not asking for more funds. We are asking the Central Government to give us our share. You are saying that the Central Government has no funds, but what we are asking is our right full share in the collections. Why should the Central Government have any difficulty in sharing its revenues with the States? They have to cut down their wasteful expenditure and give some more money to the States so that the federal structure of the country can be further strengthened.

537. Thank you very much.

**डा. रघुवंश प्रसाद सिंह (वैशाली) :** स्भापति महोदय, अभी मूर्ति जी ठीक बोल रहे थे।

**श्री नीतीश कुमार (बाढ़) :** आपकी पार्टी में और कोई सदस्य नहीं है, अकेले खुद ही बोलते हैं।

**डा. रघुवंश प्रसाद सिंह :** आप क्यों नहीं बोलते, बैठे रहते हैं। आपको यहां से बिहार भगा दिया था, फिर आ गए। इनको फिर से मंत्री बनाएं और पुरानी जगह दे दें।

स्भापति महोदय, वित्त राज्य मंत्री जी यहां बैठे हैं। जो पंचवर्षीय योजना 1995 से 1999-2000 तक, मतलब पांच वर्ष की अवधि के लिए थी, उसने अपनी रिपोर्ट 26 नवम्बर, 1999 को प्रस्तुत कर दी। पांच वर्ष के लिए दसवें वित्त आयोग ने अनुशंसा की है। यह जो संशोधन लाए हैं, यह स्कीम 1 अप्रैल, 1996 से प्रभावी होगी। 1996-97, 1997-98, 1998-99 और 1999-2000 के बारे में दसवें वित्त आयोग ने कहा है कि यह पांच वर्ष के लिए है, जबकि आप चार वर्ष के लिए लाए हैं। मैं पूछना चाहता हूँ कि एक वर्ष का हिस्सा राज्यों का आपने क्यों मारा ? यह हिस्सा भारत सरकार राज्य सरकारों का मारने वाली है। दसवें वित्त आयोग ने कहा है, पांच वर्ष के लिए, 1 अप्रैल, 1995 से 2000 तक, लेकिन ये संशोधन लाए हैं 1 अप्रैल 1996 से लागू करने का, मतलब चार वर्ष के लिए लागू करने का। एक वर्ष क्यों गायब किया। अभी जितने भी माननीय सदस्य, श्री रमेश चन्निथल्ला, मूर्ति जी बोलते हैं, सभी ने कहा है कि राज्य सरकारों की हालत बहुत खराब है। वहां वित्तीय संकट है। राज्य सरकारों का अधिकांश पैसा वेतन भुगतान में चला जाता है और उसमें भी कटिनाई आ रही है। पांचवें वेतन आयोग की सिफारिशें लागू हुईं, उससे दुगुना खर्च बढ़ गया। केन्द्र सरकार का 18,000 करोड़ रुपए का खर्चा हो गया।

गरीब पर खर्च करना है, उसे सरकार काट रही है। पी.डी.एस. में कहते हैं कि इससे ज्यादा सब्सिडी हम दे रहे हैं, गरीब पर काटो, खाद पर सब्सिडी है, उसके काटो, चीनी पर दाम बढ़ाओ, अनाज पर दाम बढ़ाओ, मिट्टी के तेल के दाम दुगुने करो, जो चीजें गरीब के इस्तेमाल की हैं, उनके दाम बढ़ाओ।

**वित्त मंत्रालय में राज्य मंत्री (श्री वी. धनजय कुमार) :** रघुवंश जी ने केन्द्र सरकार में मंत्री पद को सुशोभित किया था। आपकी जानकारी में होगा कि यह दसवें वित्त आयोग ने जो पहले साल के लिए अन्तरिम रिपोर्ट दी थी, उसके आधार पर पैसा जितना लेना था, वह आप सबने ले लिया।



**डा. रघुवंश प्रसाद सिंह :** बिहार का बकाया है, वही कह रहे हैं।

**श्री वी. धनंजय कुमार :** बिहार के बारे में मैं आपसे चर्चा नहीं करूंगा। बिहार में पैसा इधर से जाएगा और बिहार में आगे कहा जाता है, वह आपको पता है।... (व्यवधान)

**डा. रघुवंश प्रसाद सिंह :** एक साल का इन्होंने हिस्सा मारने का काम किया है। बिहार में सी.पी.एम. के माननीय सदस्य बोल रहे थे, मूर्ति जी भी बोले हैं कि ग्रास रेवेन्यू का परसेंटेज हमको मिलना है। नैट रेवेन्यू को दसवें वित्त आयोग की अनुशंसा से अलग क्यों कर रहे हैं ? इससे बंगाल को दो सौ करोड़ रुपये का नुकसान होगा। बिहार को ढाई सौ करोड़ रुपये का नुकसान होगा। अन्य राज्यों को भी इसी हिसाब से नुकसान होगा। यह ग्रास और नैट वाला पेंच चलाकर इस तरह से केन्द्र सरकार राज्य सरकार के साथ चालाकी करे कि ग्रास लिखने की जगह नैट लिख दे क्योंकि ग्रास की जगह नैट लिखने से दो सौ करोड़, तीन सौ करोड़ और चार सौ करोड़ राज्यों को नुकसान हो। यह अंधेरे हैं और संशोधन के लिए तो हम समर्थन की इच्छा से आये थे लेकिन ऐसा पेंच इसमें लगाये हुए है, उससे राज्यों की हालत कैसे सुधरेगी और फैंडरल-फैंडरल कहते हैं। ठीक कहा है ड्यूटी पर पचास प्रतिशत और 29 से 33 प्रतिशत पर जाने के लिए हम समर्थन करते हैं जो माननीय सदस्य बोल रहे थे कि प्रतिशत बढ़ना चाहिए। आप कहते हैं कि उस पर हम विचार करेंगे। दसवें वित्त आयोग ने अनुशंसा की थी कि सभी राज्यों को पंचायती राज में केन्द्र सरकार की तरफ से मदद दी जाएगी, राशि दी जाएगी। बिहार को भी लगभग सवा सौ करोड़ सालाना की अनुशंसा की गई। 1995-96 से लेकर अब तक पांच सौ-छ सौ करोड़ रुपये हिस्सा यह केन्द्र सरकार बिहार जैसे गरीब राज्य का रखे हुए है। बिहार की इकॉनॉमिक हालत खराब है। केन्द्र सरकार जो सारे खजाने की मालिक है, सारे बैंक की मालिक है, वह जब राज्यों का हिस्सा मारने लगे और दसवें वित्त आयोग ने अनुशंसा की थी उस राशि को रोककर इस बहाने चुनाव नहीं हुआ। पंचायती राज का चुनाव नहीं हुआ लेकिन 73वें संशोधन ने कहा कि ग्राम सभा होगी। भारत के संविधान के 243वें अनुच्छेद के अनुसार ग्राम सभा अज्येय अमर संस्था है और कांस्टीट्यूशनल स्टेट्स उसे प्राप्त है। लोक सभा भंग होगी, विधान सभा भंग होगी लेकिन ग्राम सभा भंग नहीं होगी। ग्राम सभा भंग नहीं है फिर आपने पैसा क्यों नहीं दिया ? बिहार की दस करोड़ आबादी ने क्या कसूर किया और बिहार ने क्या कसूर किया कि आप दसवें वित्त आयोग की अनुशंसा को रोके रखे हुए हैं। एक बहाना बनाया कि चुनाव नहीं हुआ। चुनाव क्यों नहीं हुआ, वह भी श्री नीतिश कुमार उस समय मंत्री थे जिस समय 73 वां संशोधन हुआ था। 73वें संशोधन में यह था कि मुखिया, सरपंच, पंच, प्रमुख सारे पदों पर शैड्यूल कास्ट, शैड्यूल ट्राइब्स और वूमन को आरक्षण दिया जायेगा। यह संशोधन किया, ठीक काम किया और उन्होंने यह भी कहा कि कोई भी नियम राज्य सरकार द्वारा ओ.बी.सी. को पंचायत में आरक्षण देने से कोई रोक नहीं है। उस पर बिहार की राज्य सरकार ने कहा कि ओ.बी.सी. को भी हम आरक्षण देंगे। ओ.बी.सी. को आरक्षण देने का कानून बना। वह कानून हाई कोर्ट में चला गया, वहां चैलेंज हुआ। हाई कोर्ट ने कहा कि मुखिया का एक ही पद होता है, इसलिए उसमें ओ.बी.सी. तो क्या एस.सी., एस.टी. और वूमन तक के प्रावधान को खारिज कर दिया। 73 वें संशोधन में मुखिया, प्रमुख और सरपंच जो सारे पदों के लिए आरक्षण हुआ था, हाई कोर्ट के उस फैसले से 73वें संशोधन की धज्जियां उड़ा दी गईं। उस पर राज्य सरकार ने सुप्रीम कोर्ट में अपील की और सुप्रीम कोर्ट में मामला लम्बित है।

भारत सरकार के भी सॉलिसिटर जनरल हाजिर हुए हैं और अभी तक फैसला नहीं हुआ है। मैं इस सर्वोच्च न्याय में अपील करता हूँ कि कानून के पेंच के चलते वहां 38 करोड़ रुपया राज्य सरकार ने पंचायती चुनाव के लिए खर्च किया। कमीशन से बक्सा मांगा और कमीशन ने कहा कि बक्सा नहीं देंगे। अपने से बक्सा बनाने का काम हुआ। बैलट छप गया था, पंचायत के वोट पड़ने जा रहे थे। इस बारे में छानबीन होनी चाहिए। इस बात की जानकारी दुनिया, देश और देश की जनता को होनी चाहिए कि पंचायत चुनाव होने जा रहा था लेकिन उस कानून के चलते हाई कोर्ट ने कहा कि मुखिया का सिंगल पद होता है और इस पद पर आरक्षण ओ.बी.सी. तो क्या एस.सी.एस.टी. और वूमन किसी को भी नहीं दिया जाएगा। 73वें संशोधन पर प्रश्न चिन्ह लगा। इस वजह से पंचायत चुनाव नहीं हुआ और सुप्रीम कोर्ट में मामला लम्बित है। क्या इसमें बिहार सरकार का कसूर है ? इसमें बिहार सरकार का कसूर नहीं है। क्या इसमें बिहार की दस करोड़ आबादी का कसूर है ? उसका कसूर नहीं है। क्या बिहार राज्य का कसूर है ? किसी का कसूर नहीं है। यह भारत सरकार का कसूर है और केन्द्र सरकार का राज्य सरकार के साथ भेदभाव और दुश्मनी वाला व्यवहार है कि दसवें वित्त आयोग की अनुशंसा के मुताबिक सवा सौ करोड़ हमारे बिहार राज्य को मिलना चाहिए पर इसमें पांच सौ-छ सौ करोड़ रुपया केन्द्र सरकार दाबकर रखे हुए हैं। इस पर फैसला तथा छानबीन होनी चाहिए कि राज्य सरकार के साथ इस तरह से दुश्मनी, बेईमानी वाला व्यवहार क्यों किया जा रहा है ? हम हिन्दुस्तान का दसवां हिस्सा है। हिन्दुस्तान का इतिहास बिहार का इतिहास था। जब वहां पाटलीपुत्र में राजधानी थी, दुनिया के मुल्कों में हिन्दुस्तान नंबर एक पर था। उस तरह हमारा गौरवशाली इतिहास है और इस तरह से बिहार के साथ भेदभाव और अन्याय बर्दाश्त करने लायक नहीं है। यह समझने की बात है कि केन्द्र सरकार की पूरी ताकत बिहार सरकार को हिलाने में लगती है लेकिन बिहार सरकार नहीं हिलती तो उसके बदले यहां से उसका हिस्सा मारो, उसकी सहायता में काटो और वहां के विकास को खत्म करो। केन्द्र सरकार यह सब चला रही है, यह सब बर्दाश्त करने लायक नहीं है। यह युक्तिसंगत, न्यायसंगत और तर्कसंगत नहीं है, इसीलिए मैं इस संशोधन के माध्यम से कहना चाहता हूँ कि दसवें वित्त

आयोग की अनुशंसा के अनुसार चारवा का ही हिस्सा बिहार राज्य को दिया गया है और एकवा का हिस्सा केन्द्र सरकार ने मार लिया है।

**श्री विजयेन्द्र पाल सिंह बदनोर (भीलवाड़ा) :** ज्यादा पैसा दे देंगे तो चारा तो और नहीं खरीद लगे ? ... (व्यवधान)

**डा. रघुवंश प्रसाद सिंह :** चारा नहीं हवाला में यशवंत सिन्हा और आडवाणी इन सब पर केंस क्यों नहीं चला ? यह भी सवाल है कि यहां जो शंखवाहिनी में है,\* कोई माई का लाल है तो जांच कराओ।... (व्यवधान)

MR. CHAIRMAN : Dr. Raghuvansh Prasad Singh, please resume your seat.

**पेट्रोलियम और प्राकृतिक गैस मंत्री (श्री राम नाईक) :** सभापति महोदय, मेरा पाइंट आफ आर्डर है। माननीय सदस्य ने प्रधान मंत्री जी के विरुद्ध बिना कोई सूचना दिए, इस प्रकार का गम्भीर आक्षेप लगाया है और अन्य मंत्रियों के संबंध में भी आक्षेप लगाया है। बिना सूचना इस प्रकार का आक्षेप लगाना नियम के विरुद्ध है। ऐसी स्थिति में, उन्होंने जो आक्षेप लगाया है, उसको विद्वान करना चाहिए या इन आक्षेपों को आप के द्वारा प्रोसीडिंग्स में से निकाल देना चाहिए।

...(Interruptions)

MR. CHAIRMAN: I will look into the records. If there is anything objectionable, we will expunge it.

...(Interruptions)

**डा. रघुवंश प्रसाद सिंह :** क्या सांख्य-वाहिनी में सन्देश नहीं हुआ है। \* (व्यवधान)

SHRI RAM NAIK: Sir, you have assured us that you will look into the records and remove these allegations from the records. Am I correct?

MR. CHAIRMAN: Yes.

**डा. रघुवंश प्रसाद सिंह :** मैं पूछना चाहता हूँ कि हमारे दसवें फाइनेंस कमीशन की अनुशंसाओं को क्यों रोक कर रखा गया है ? दस करोड़ आबादी के साथ आप बेईमानी कर रहे हैं। अगर आप कोई कदम नहीं उठाएंगे, तो हम केन्द्रीय सरकार का घेराव करेंगे।

इन शब्दों के साथ मैं अपनी बात समाप्त करता हूँ।

\* Expunged as ordered by the chair

**प्रो. रासा सिंह रावत (अजमेर) :** स्थापित महोदय, माननीय वित्त मंत्री जी द्वारा 89वाँ संविधान संशोधन विधेयक, 2000 जो सदन में प्रस्तुत किया है, मैं उसका पुरजोर समर्थन करता हूँ। इस संविधान संशोधन के अन्दर अनुच्छेद 269 के खण्ड 1 और 2 के स्थान पर नए खण्ड रखे जायेंगे और अनुच्छेद 270 के स्थान पर नए खण्ड का प्रतिस्थापन होगा, जिसके अन्दर संघ और राज्यों के बीच में करों का उद्ग्रहण और संग्रहण किस प्रकार से हो, उसके बारे में चर्चा है। अनुच्छेद 272 का लोप हो जाएगा। इस प्रकार यह संविधान संशोधन बहुत ही महत्वपूर्ण है। जैसा अभी बताया गया, दसवें वित्त आयोग ने पांच वर्षों 1995-96 से 1999-2000 तक की अवधि के लिए अपनी रिपोर्ट 26 नवम्बर, 1994 को प्रस्तुत की थी। इस रिपोर्ट को 14 मार्च, 1995 को दोनों सदनों के पटल पर रखा गया था। आयोग ने कर सुधार के बारे में कई सिफारिशों की कि राज्यों और केन्द्र में करों के संग्रह को कैसे विभाजित किया जाए। इस संबंध में हमारी मान्यता है - मजबूत केन्द्र और मजबूत राज्य - अगर केन्द्र मजबूत होगा, तो राज्य भी मजबूत होंगे और केन्द्र कमजोर होगा, तो राज्य भी कमजोर होंगे। आजादी के बाद पहली बार भारत में संविधान लागू होने के बाद NDA की सरकार ने, जो बाजपेयी जी के नेतृत्व में चल रही है, इस काम को किया है।

1554 hours Dr. Raghuvansh Prasad Singh in the Chair)

इसके लिए हमारी सरकार को धन्यवाद देना चाहिए कि इन्होंने पहली बार राज्यों को अब तक मिलने वाला जितना हिस्सा था, उसमें सर्वाधिक हिस्से की भागीदारी सुनिश्चित की है। इस बिल को प्रस्तुत करने के लिए यह सरकार बधाई की पात्र है। इस बारे में एक फार्मूला तय किया गया है और पहले यह मांग की गई थी कि राज्यों को 29 परसेंट के स्थान पर 33 परसेंट हिस्सा मिलना चाहिए। महाराष्ट्र और अन्य राज्यों ने अन्तरराज्यीय बैठकों में इस मांग को कई दफा उठाया था। दसवें वित्त आयोग की रिपोर्ट को आए हुए, पांच साल हो चुके हैं और उस समय कांग्रेस की सरकार थी तथा उस सरकार के वित्त मंत्री, श्री मनमोहन सिंह, ने सदन के अन्दर आश्वासन दिया था कि संविधान के अन्दर संशोधन लायेंगे और इसके जल्दी लागू करेंगे, जिससे केन्द्र और राज्यों के बीच में कर के वितरण का हिस्सा सुनिश्चित किया जा सके। वह कांग्रेस की सरकार भी चली गई, देवेगौड़ा जी सरकार भी चली गई, तथा आई.के. गुजराल जी सरकार भी चली गई, जिसमें आप, स्थापित महोदय, ने मंत्री पद को सुशोभित किया था। वे सभी सरकारें दसवें वित्त आयोग की सिफारिशों को लागू नहीं कर पाई थी।

उसके बाद 1998 में यह बिल लोक सभा में आने वाला था, लेकिन नहीं आ सका, क्योंकि उस समय कांग्रेस ने सत्ता के लोभ में चुनी हुई सरकार को गिरा दिया और एक वोट के कारण वह सरकार गिर गई। इसलिए उस समय यह बिल पेश नहीं हो सका। ... (व्यवधान)

महोदय, राष्ट्रीय जनतांत्रिक गठबंधन की सरकार को यह श्रेय मिलना ही चाहिए जिसने 10वें वित्त आयोग की सिफारिशों को मानकर राज्यों को, करों से होने वाली आय में से, अधिक हिस्सेदारी निश्चित करने हेतु, अंतिम रूप से संविधान संशोधन का क्रांतिकारी कदम उठा कर, साकार रूप प्रदान करने की कोशिश की है। इसके लिए वित्त मंत्री जी, प्रधानमंत्री जी और यह सरकार बधाई की पात्र है। आज राज्यों की स्थिति बहुत खराब हो गई है, मैं केन्द्र सरकार से प्रार्थना करना चाहूंगा कि आपने जो फिफ्थ पे कमीशन लागू किया, केन्द्र के बराबर राज्यों के कर्मचारियों ने भी मांगा कि हमें भी वही वेतन मिलना चाहिए। राज्यों ने वह वेतन दिया जिसके परिणामस्वरूप राज्य सरकारों की कमर टूट गई और 73 से लेकर 80 प्रतिशत राज्यों का जो कुल हिस्सा है, वह सारे का सारा तनख्वाह चुकाने में या सरकारी खर्चों में खर्च हो जाता है। उनके पास विकास के कार्यों के लिए पैसा नहीं बचता। अब तक केन्द्र में एक दल की सरकार थी और उस दल की सरकार ने, उन्हीं की पार्टी की राज्यों में जो सरकारें होती थीं उन्हें दबा कर रखा। कभी-कभी वित्तीय स्वायत्तता की मांग उठती थी लेकिन लेकिन उसे दबा दिया जाता था। पहली बार इस सरकार ने वित्तीय अनुशासन की बात कही है और थोड़े अधिक अधिकार राज्यों को देने की बात भी सोची है, इसलिए मैं इस विधेयक का पुरजोर स्वागत करता हूँ।

महोदय, उस समय 10वें वित्त आयोग ने जो सिफारिशें की हैं, सरकार ने आय कर, केन्द्रीय उत्पाद शुल्क और राज्यों के बिक्री कर के बदले में अतिरिक्त उत्पाद शुल्कों की हिस्सेदारी से संबंधित आयोग की सिफारिशों को स्वीकार कर लिया। ये सिफारिशें 1 अप्रैल से प्रारम्भ होकर पांच वर्षों के लिए होंगी। जैसे अभी हमारे साथी बता रहे थे कि पांच वर्षों से नहीं, इसे सरकार 1996 से लागू करेगी। जो 11वाँ वित्त आयोग बैठा है उसे कह दिया गया है कि जून, 2000 तक वह अपनी रिपोर्ट दे दें ताकि उसकी जो और सिफारिशें आएंगी, उसी संदर्भ में वे सिफारिशें भी लागू की जाएंगी।

मान्यवर, मैं एक शब्द की तरफ सरकार का ध्यान आकर्षित करना चाहूंगा- "नेट प्रोसिड और ग्रास प्रोसिड," अब ये जो देना चाहेंगे तो नेट टैक्स रसीट्स का देंगे या ग्रास टैक्स रसीट्स का देंगे। अगर ग्रास टैक्स रसीट्स का देंगे, तब तो राज्यों को ज्यादा फायदा होगा और अगर नेट टैक्स रसीट्स का ही दिया तो शायद राज्यों को उतना फायदा नहीं होगा। हालांकि फिर भी राज्यों को दो हजार करोड़ रुपए का ज्यादा बंटवारा होगा, उन्हें ज्यादा हिस्सा मिलेगा। इसलिए इसमें राज्यों के लिए सेफ्टी क्लॉज़ भी होना चाहिए, क्योंकि फिर कहीं ऐसा न हो कि यहां और कोई सरकार आ जाए जो राज्यों के अधिकारों को कम कर दे, उनका हिस्सा कम कर दे, इसलिए इसकी भी व्यवस्था होनी चाहिए।

महोदय, सब को एक लाठी से नहीं हांकना चाहिए। जैसे राजस्थान राज्य है, उसकी भौगोलिक दृष्टि से अपनी अलग परिस्थितियां हैं- अरावली के पहाड़ और थार का मरूस्थल भूयंकर सूखा है। काश्मीर में आतंकवादी गतिविधियां तेजी से बढ़ रही हैं। उत्तर-पूर्व के हिस्से में कई ऐसी जगह हैं जहां साइक्लोन आते हैं, अगर सबको 26 प्लस 3 यानी 29 प्रतिशत के हिस्से से हिस्सा दिया तो फिर राज्यों की स्थिति चरमरा जाएगी। इसलिए उन परिस्थितियों का भी, राज्यों का हिस्सा तय करते समय और अनुदान देते समय विशेष ध्यान रखना चाहिए।

महोदय, टैक्स शेयर्स स्कीम 31 मार्च, 2000 तक लागू होती है, उसके बाद तब तक अगली रिपोर्ट आ जाएगी। इसलिए मैं चाहूंगा कि केन्द्र सरकार इस सुधारवादी दृष्टि टकोण को चालू रखते हुए इसे आगे भी लागू करने का पूरा प्रयास करे। ... (व्यवधान) महोदय, इसमें एक टेक्नीकल बात यह है कि 26 प्रतिशत जो सकल आय केन्द्र सरकार की है और प्लस तीन प्रतिशत रेलवे वगैरह से आती है, वह सारा मैं पढ़ कर बता देता हूँ -

16.00 hrs.

"As per the new formula, 26 per cent of the net proceeds of all Central taxes excluding stamp duty, medicinal and toilet items, Central Sales Tax and Consignment Tax will be shared with the States. Three

per cent of the taxes will be assigned in lieu of duties from tobacco, cotton, and grants in lieu of tax on Railway passenger fares. "

इस संबंध में मैं कहना चाहूंगा कि राज्यों को उनका पूरा हिस्सा मिले और राज्य भी केन्द्र सरकार के ऊपर ही आश्रित न रहें तथा उनको भी अपने संसाधन बढ़ाने की कोशिश करनी चाहिए। अच्छे राज्यों का काम है कि वित्तीय अनुशासन दृढ़ता के साथ लागू करते हुए अपने बिजली और टेलीफोन के खर्च कम करके, अपने वित्तीय रिसोर्सज बढ़ाने का प्रयत्न करें। आपने मुझे बोलने का समय दिया, उसके लिए मैं आपका आभारी हूँ। धन्यवाद।

SHRI P.H. PANDIYAN (TIRUNELVELI): Mr. Chairman, Sir, I rise to express my views on the Constitutional (Eighty-ninth Amendment) Bill, 2000. I raise the first point. It has been stated that for article 270 of the Constitution, the following article shall be substituted and shall be deemed to have been substituted. There is no 'deeming' provision in our Constitution. It could have prospective effect. But it cannot have a retrospective effect from 1st April, 1996. Though I do not say that it is Constitutionally invalid, yet it should have been thought of by the Government before piloting this Bill. I take this opportunity to express my views on this financial matter.

Sir, these taxes are being shared with the States to the extent of 26 per cent. The States have a responsibility to file balance sheets not in the way of White Paper but their balance of payment between the States and Centre to see whether they are financially sound. It is because Parliament is supreme in India. Most of the States are not financially sound. On the other day, the Minister of Finance while replying to the debate on the Finance Bill admitted that the financial position of most of the States is not satisfactory. He mentioned it here. So, this is to augment resources for the States. If this provision is incorporated in the Constitution, it is the bounden duty of the State Government to – I do not say, 'file' – inform the public about their financial position through the Legislature. But so far, no State has said that it is either bankrupt or that it is not financially sound. So, this is to support the States. The State financial autonomy is gained by this amendment. Therefore, I would appeal that had this Bill been brought in a proper shape to give it a prospective effect, it would have been better. The Tenth Finance Commission Report was submitted on 26<sup>th</sup> November, 1994. We were having various Governments since then. Why was this Constitution amendment not brought by any Government?

They have failed the people. The Government both from this side and that side of the House have failed the Constitution and the mandate of the people. So, this constitutional impropriety should not be repeated hereafter. Nobody is going to challenge it because it is a matter of share between the Centre and the States. Nobody from the public nor State is going to challenge it because all the States are going to get an equitable distribution of the share in taxes.

SHRI V. DHANANJAYA KUMAR: It is only to ratify what has already been devolved on the States.

SHRI P.H. PANDIYAN : I am on the point of constitutional law. Can you retrospectively amend the Constitution? In the case of Shrimati Indira Gandhi's election, it had been held by the Supreme Court that Parliament cannot amend the Constitution retrospectively. So, no provision of the Constitution can be amended retrospectively. That is why I said that successive Governments have failed the Constitution right from 1994. They have not fulfilled their constitutional obligation and their duty towards the people of the country. Let it be a lesson.

I have to support this Bill because otherwise people will suffer. Therefore, I support this Bill.

MR. CHAIRMAN : Now Shri Trilochan Kanungo. He may please be brief.

SHRI TRILOCHAN KANUNGO (JAGATSINGHPUR): Whenever I rise to speak, you are in the Chair and you start cautioning me right from the beginning.

MR. CHAIRMAN: You can make your points.

SHRI TRILOCHAN KANUNGO : Mr. Chairman Sir, this Constitution (Eighty-ninth Amendment) Bill has been brought in pursuance of the recommendation of the Tenth Finance Commission on alternative scheme of devolution of share of central taxes on the States. When the Government laid the tenth Finance commission report on the Table of the House on 24<sup>th</sup> March 1995, in the Action Taken Report on the Report of the Tenth Finance Commission, the

Government made it clear that it had accepted certain provisions and certain other provisions like the alternative scheme of devolution would be considered in due course. The due course in March 1995 has come in May 2000. This is a paradox and undoubtedly unfortunate.

The Tenth Finance Commission made certain recommendations that 29 per cent of the gross proceeds of - all taxes taken together - should be devolved. They have excluded two central taxes - the Consignment Tax which has not yet been imposed and the Central Sales Tax. They have excluded these two taxes imposed under article 269. They have included all other taxes and have also recommended that it should be given effect to from 1.4.1996. Fifty years after the Constitution has come into force this is no doubt a very good amendment to it.

When we take this into consideration, we have to see what has happened during the last fifty years. While making a provision for devolution of taxes and transfer of resources from the Centre to the States, what was the intention of the founding fathers, what was their language and what happened to the principles of devolution and transfer of resources thereafter? These three aspects are to be discussed in proper perspective and depth.

We should not make a casual statement here. My point is, when the Constituent Assembly was there in 1949, our founding fathers had expressed very clearly and very emphaticallyâ€¦...(*Interruptions*)

SHRI RAMESH CHENNITHALA (MAVELIKARA): You know that the Report of the Tenth Finance Commission has not even been discussed in the House. This is a fact.

SHRI TRILOCHAN KANUNGO : If it has not been discussed in the House, it means that the perhaps the House at that time did not take things seriously at that time. Now, I am only quoting what our founding fathers had expressed their views while discussing Articles 249 to 260 of the Draft Constitution which have become Articles 268 to 280 of the present Constitution. Pandit Hridayanath Kunzru, clearly and categorically, told this and that was the consensus of the Constituent Assembly also.

"If federation means anything, it means that there should be a transfer of wealth from the richer to the poorer provinces, just as the concept of social welfare implies that there should be a transfer of wealth from the richer to the poorer people, so the concept of federation, the concept of national solidarity implies that the richer provinces should part with a portion of what may be in strict theory be due to them for the benefit to raise the less developed provinces to the level of the more fortunate provinces. It will not even be possible to guarantee that the social services in the less developed provinces will reach a minimum standard."

Sir, look at the situation after 50 years and take stock of the situation in view of the prophesy of Pandit Kunzru and the founding fathers of our Constitution. He had further added:

"Provinces like Assam, Orissa and the CP (it is now known as Madhya Pradesh and Bihar) which are starved for want of funds and whose condition is such as to extort the sympathy of all fair-minded people would remain for ever in the backward condition that they occupy now."

The language was such that these States remain poor and backward even after 50 years of the framing of our Constitution. Therefore, while looking at this Constitution, Pandit Hridayanath Kunzru had cautioned in the Constituent Assembly that they would remain poor if this principle of devolution, principle transfer of resources from the Centre to the States was accepted. Then these States will remain poor, namely, Assam, Bihar, CP and Orissa. And they have remained poor as yet. This is the intention and we saw the language. But thereafter, things have gone far worse. You were telling some excuse or the plea which the Central Government had taken. In the beginning, the income tax as a whole was in the divisible pool. But, in 1959, by amending the Income Tax Act, they took away the income tax on the profit of companies as corporation tax and excluded it from the divisible pool.

MR. CHAIRMAN : Please conclude. There are so many other Members to speak.

SHRI TRILOCHAN KANUNGO : I will not take much time. I am speaking sense. I hope you would bear with me for some more time. I implore upon the Chair.

In 1959, the income tax was taken away from the divisible pool and the States suffered. In 1956, in retrospect, Article 269 of the Constitution was amended to impose Central sales tax. The central sales tax is a tax that has been imposed on the consumer States. Central sales tax is an internal export duty and it went only in favour of the developed States. An analysis has been made by several economists. I want to give you a brief figure.

Four States, which have only 19 per cent of the population of the country, appropriate 45 per cent of the revenue

from the Central Sales Tax. I again repeat that four developed States, four richer States and the four higher income group States are appropriating 45 per cent of the Central Sales Tax. What do the low income States get? Which are those low income States? They are Bihar, Madhya Pradesh, Orissa, Uttar Pradesh and Rajasthan. With 44 per cent of the population, they get from the Central Sales Tax only 18 per cent of the revenue. So, my point is that the Central Sales Tax should be brought into the divisible pool. Mr. Minister, if you do not bring the Central Sales Tax into the divisible pool, you are doing injustice to the backward States and the poorer States.

There is no doubt that the Finance Commission has made certain recommendations and they had excluded certain things. But you have also modified it. You have modified two things. The Finance Commission has recommended that the 29 per cent will be of the gross proceeds of the central taxes. You have modified it. You have also modified that the percentage share of the States should be reviewed by the successive Finance Commissions instead of freezing it for fifteen years as suggested by the Tenth Finance Commission. Therefore, a modification should come saying that the Central Sales Tax should be included in the divisible pool.

The second point is about the Consignment Tax. In 1982, the Constitution was amended in order to favour the backward States like Bihar, Orissa, West Bengal, Andhra Pradesh and Madhya Pradesh. But the Central law has not yet been enacted. As a result, they are not also getting anything. So, for the Consignment Tax, the Central law should be enacted and it should also be brought into the divisible pool. So, the Central Sales Tax and the Consignment Tax should be brought into the divisible pool.

I do not understand not only the rationale of it but also the arithmetic of it. You shall see this in the Statement of Objects and Reasons in para 11. I again quote:

"Secondly, Government has decided to change the sharing of "gross proceeds" as recommended by the Tenth Finance Commission to the sharing of "net proceeds" in order to maintain consistency between articles 270, 279 and 280 of the Constitution. However, this will not result in any consequent loss to the States because the Government has also simultaneously decided to compensate the States by suitably enhancing the percentage share beyond 29 per cent "

Again, in para 13, you have said this:

"The scheme will be effective from 1<sup>st</sup> April, 1996. The percentage share of net proceeds during 1996-97 to 1999-2000 will be such that the States' share is 29 per cent of the gross proceeds. .."

I do not understand the arithmetic of this. Net Proceeds is in the divisible pool, which will be devolved to make 29 per cent of the gross proceeds. What is there? So, by keeping it like that up to 29 per cent of the gross proceeds, what purpose it would serve? . Therefore, I do not understand the arithmetic of it. The Finance Minister, while replying to the debate, must clarify the position whether it is the 29 per cent of the gross proceeds or 29 per cent of the net proceeds that would be taken into consideration. This is my another point.

Next, I would request that the devolution policy, the transfer of resources policy should be in such a way that the backward States, the poorer States could stand on their own legs. ...(*Interruptions*) I tell you that ten Finance Commissions have gone so far. After devolution of taxes during the period of the Tenth Finance Commission including the recommendation of all Ten Finance Commission, Orissa is the only State which has been left with the revenue deficit. No other State during that period has fallen into that category. So, there are certain backward States and the poorer States which deserve a separate dispensation, a complete different dispensation so that they will stand on their own legs. Unless you do it for a period of ten years, I tell you that States like Bihar, Orissa, Uttar Pradesh, Assam and Madhya Pradesh shall never come at par with the other States nor with the national average.

With these words, I conclude. Thank you.

SHRI E.M. SUDARSANA NATCHIAPPAN (SIVAGANGA): Respected Chairman, Sir, I would like to confine myself to the benefits for the *Panchayats* and *Panchayati Raj* institutions. I think that these institutions should also be considered when we take up these amendments. The Seventy-third and the Seventy-fourth amendments of the

Constitution have created the third-tier administration, within the Constitution, which also has taken the power from the Seventh Schedule to the Eleventh and the Twelfth Schedule. About 29 plus 19 powers were taken away from the List and have been vested upon the *Panchayati Raj* institutions.

Now, the small-scale industries, including the food processing industry, khadi and village industry, and cottage industry were also included. All the 29 plus 19 powers were vested upon the *Panchayati Raj* institutions. This has cost too much upon the poor *Panchayats* and *Panchayati Raj* institutions. Normally, the State Governments will be asking for more funds from the Central Government but at the same time, the State Governments will not part away the funds to the *Panchayati Raj* institutions. That is the problem we are facing. The unemployment problem can be tackled; the terrorism problem can be tackled if funds were distributed properly to the *Panchayati Raj* institutions. Precisely for this reason in the Seventy-fourth amendment also, a clear provision is given for the *Panchayati Raj* institutions in article 280(bb) and also (c). The State Finance Commissions should also consider as to how much money should be distributed to the *Panchayati Raj* institutions.

Now, I would like to draw the attention of the hon. Finance Minister that giving share to the State Governments by amending article 270 and also taking away the words "other than the agricultural income" should not stop the State Government from taxing the agricultural bigwigs who are having thousands of acres of land. Now, they are going to be taken away from this net of Agricultural Income-Tax. The State Government should concentrate on increasing the income and at the same time, they can also take some more share from the Central Government by way of this type of amendments. The State Governments should not shirk their responsibilities of generating the income from their own resources. At the same time, they should allow the *Panchayati Raj* institutions to come up to that level because the infrastructural development now depends upon the *Panchayati Raj* institutions. All sorts of works like construction of roads, wells, providing drinking water, providing relief to the drought-affected areas, and flood-affected areas are in the hands of the *Panchayati Raj* institutions. The Central and the State Governments are pumping money. We do not know as to where does it go. In this regard, I would like to say that people's representatives should be given the responsibility so that quick relief is provided to the victims affected by natural calamities, and man-made calamities are stopped very quickly. Human resource development, infrastructural development, industrial, trade, and professional service developments, etc. are in the hands of the *Panchayati Raj* institutions. They are in a competitive spirit to come up to the level of other *Panchayati Raj* areas. Now, one State Government is competing with another State Government as to how best they can improve and develop their economy.

At this juncture, it is a very good move on the part of the Central Government to give more funds in the form of share to the State Governments. But, at the same time, I would like to submit that the Central Government should consider giving, out of their share of 29 per cent to the State Governments, at least 10 per cent should go to the *Panchayati Raj* institutions also. It is the main source, it is the main area where India can be shown as the developed country and not by any other means.

Therefore, I would like to submit that the supervisory capacity of the Union Government on the State Governments is coming down now-a-days. They may be sending crores of rupees to the States, but they cannot question as to whether they have properly spent it or not, whether enough man-hours have been created and whether assets have been created. They cannot ask that. They have to just go through the reports sent by the State Governments and be satisfied with it. In the same way, the State Governments are not utilising the funds given for the *Panchayati Raj* institutions. They are not finding out as to whether assets have been created and how many poor people have come above the poverty line etc. The State Governments are not worried about it. They are only worried about the statistics and surveys.

626. So, I would like to submit that there should be a healthy competition between the *Panchayati Raj* institutions, the State Governments and also the Union Government. In future, I would like to suggest that 40 per cent of the income should be with the Central Government, 30 per cent should be with the State Governments and the rest 30 per cent should be with the local self-Governments. Then only poverty can be eradicated from our country and India can become a leading economic power of the world in the 21<sup>st</sup> Century.

**श्री मोहन रावले (मुम्बई दक्षिण मध्य) :** सभापति महोदय, मैं शिव सेना की तरफ से इस विधेयक का समर्थन करता हूँ और सरकार से मांग करता हूँ कि जितना पैसा केन्द्र सरकार को राज्यों द्वारा मिलता है, उसका आधा पैसा सारे राज्यों को देना चाहिए। जब महाराष्ट्र में भारतीय जनता पार्टी और शिवसेना पक्ष की सरकार थी तो उसने केन्द्र सरकार को स्मॉल सेविंग्स द्वारा 5000 करोड़ रुपया दिया और उनसे 4000 करोड़ रुपया लोन लिया। 45 सालों से लोगों को पीने के लिए पानी नहीं था। हमारी सरकार ने गांव-गांव में पानी के लिए स्कीम बनाई। आज महिलाओं के आरक्षण के बारे में कहा जाता है। जो महिलायें टॉयलेट के लिए बाहर बैठती थीं, हमारी सरकार ने उनके लिए हर साल 5 लाख टॉयलेट बनाने का काम किया। हमने सड़क, शिक्षा के लिए पैसा खर्च किया। मैं सरकार से विनती करता हूँ कि केन्द्र सरकार द्वारा सारे राज्यों को पैसा देना चाहिए। भूतपूर्व महाराष्ट्र सरकार ने साक्षरता के लिए पैसा खर्च किया। महाराष्ट्र सरकार को पैसा बढ़ाने के बदले केन्द्र सरकार ने पैसा कम दिया, जो गलत किया। मैं 1991 से इस सदन में मांग कर रहा हूँ। मैंने एक बार केन्द्र सरकार से स्वाल किया था जिसका जवाब दिया गया था कि मुम्बई शहर से 17,944 करोड़ रुपया केन्द्र सरकार को मिलता है। उसके बदले में हमें सिर्फ 100 करोड़ रुपया दिया गया। मुम्बई शहर में सारे राज्यों से कम से कम 1000 लोग आते हैं। जिसका हमारी पानी, सड़क, शिक्षा, स्वास्थ्य आदि पर बोझ पड़ता है। कम से कम 20,000 करोड़ रुपये का 10 परसेंट यानी 2000 करोड़

रुपया केन्द्र सरकार को मुंबई शहर के लिए देना चाहिए।

मैं अर्थ मंत्री से विनती करना चाहता हूँ, हेपेटाइटिस बी एड्स से भी बढ़कर गंदी बीमारी है। यदि यह बीमारी किसी को हो जाये तो उसका बचना मुश्किल होता है। श्री गणमुगम पहले यहां थे लेकिन अब नहीं हैं। केन्द्र सरकार को वर्ल्ड बैंक ने मदद दी है। हेपेटाइटिस बी को टैन्थ प्लान में इन्क्लूड करने जा रहे हैं। मैं वित्त मंत्री जी से विनती करता हूँ कि उसे नाईन्थ प्लान में इन्क्लूड करना चाहिए। आपने मुझे बोलने का मौका दिया इसलिए मैं आपका आभारी हूँ।

SHRI VARKALA RADHAKRISHNAN (CHIRAYINKIL): Mr. Chairman, Sir, I cannot support this Constitution (Amendment) Bill. The main reason for that is, there is a provision for sharing of taxes on the basis of gross collection. Before I go into the details, at the outset, I would like to submit that I do not understand the logic behind this move.

The NDA Government has appointed the Constitution Review Committee. They have prepared a questionnaire and it is being forwarded to the Members of this House as well as others. This is a matter concerning the basic features of the Constitution. Our Constitution is a federal one. It means that there must be sharing of powers. The sharing of powers means administrative power-sharing and financial power-sharing. This is about the sharing of taxes.

There are three most important provisions in the Constitution. Here, our attempt is to give retrospective effect to the provisions of the Constitution. About that point, what my hon. friend, Shri P.H. Pandiyani, has stated is relevant. But I do not want to go into details and legalities relating to this particular issue.

We all know that there were two Commissions about the sharing of taxes. One was the Sarkaria Commission. That Commission had taken evidence and elaborately dealt with the matter. They had recommended certain devolutions of sharing of taxes. These are before the Government. The Government is sleeping over that process for a long time. Subsequently, there was another Tax Reforms Committee headed by Dr. Raja Chelliah to reform the taxes. The recommendations of that Committee are before this Government. They have not taken any action.

Lastly, the Tenth Finance Commission had submitted its recommendations five years ago. They did not take any action. Now, they have brought forward the Constitution (89<sup>th</sup> Amendment) Bill. What is the purpose? Firstly, I doubt the sincerity of this Government. Now, this Government is having a peculiar nature. It is a combination of regional parties. Here is a matter which deals with sharing of taxes between the Centre and the States. What was our previous experience? I will refer to some instances. The States cannot be faulted if they seek to get this assurance enshrined through a proper constitutional amendment. Nobody can deny the fact that the States were denied their due share in such proceeds earlier due to machinations of the Centre. It is not a secret that successive Ministers of Finance at the Centre sacrificed the interests of the States by effecting reductions in the basic rates of Income Tax as well as Customs Duties while protecting its revenues by striking through duties that need not be shared with the States. So, there is a step-motherly attitude. When it concerns the Centre, they will be doubly conscious. They will collect it with all the will because they need not share it with the States. When the question of Income Tax and other duties comes, they would adopt a step-motherly attitude even without consulting the States. There have been instances when the Central Government reduced the taxes to the detriment of the States. Previously, that was about sharing. What will be the net result?

Now, this matter was examined by the Finance Committee. That Committee examined the Finance Secretary for this purpose. What did he say? I shall refer to one of his statements. Now, when he was specifically questioned by the Committee about the impact of gross proceeds being changed into net proceeds, the Finance Secretary had said:

"However, from 1997 to 1998, there will be a negative of Rs. 3,525 crore for the State Governments because of lower revenue. "

So, it is an admitted fact that even for a year, the State Governments will lose an aggregate amount of Rs. 3,525 crore. Moreover, it may be pertinent to note about the financial position of the States. Their financial position is deplorable and alarming.

Just about a year ago, the RBI noted that the budgeted revenue of deficit States for 1998-99 amounted to 1.6 per cent GDP against 1.4 per cent GDP the year before. Compared with the current financial year, the gross fiscal deficit of GDP for 1998-99 would be Rs.78,000 crore. That is the position of the States taken together. It is four per cent of the GDP.

Sir, everywhere, we find the deficit financing. In such a situation, this NDA Government is bringing this amendment with a view to rob off the income of the States which they were getting previously. Why did they not wait till the Review Commission submitted its report? What was the need for moving it? Let the *status quo* be maintained. Let

us wait. We had waited for the Sarkaria Commission's recommendations. We did not bring in any constitutional amendment. The Chelliah Committee also gave some recommendations but we did not bring in any constitutional amendments. Why such a haste in the circumstances that this Government has appointed a Committee without consulting us? A Review Committee was appointed without even informing the House. They are doing their work. With such a situation, what is the logic of having this amendment passed through in haste?

As regards freezing of 15 years, I do not have any objection. We will take it as 55 years. But it will be detrimental to the States. How can the Centre be believed? Are they sure that this NDA Government will last for ever? Are they sure that the regional parties will be represented in the Central Government to look after the States' financial interests. It cannot be. Some time some other party may come in the Centre. They want to rob off the powers of the States. The States' interests will not be looked into. We are changing the Constitution.

In such a situation, the mere words of the Central Government that it would be compensated cannot be taken at face value. The Central Government may say that you would be benefited and that they would do all that is possible to give them benefit. Those words cannot be taken on their face value. The previous experience was detrimental to the States' interest.

So, I emphatically say that this gross profit should be shared, especially in some States, more particularly in Kerala State where the plantation crops like tobacco, rubber, etc. are there. The sales tax is not there. So, our revenue will be curtailed. The State will become more or less a pauper by this amendment. That is why, I oppose this provision with all my vehemence because in the long run, the States will be in difficulties.

Sir, I may be permitted to make one point clear. What is the percentage? It is 29 per cent and that is a uniform decision concerning all States. Is it just and proper? Because Kerala and some other States have developed, the decision will be detrimental to their interest. If the Government is serious of doing justice to the State, this percentage of 29 per cent should be increased to 40 per cent. Some States have demanded 40 per cent. So, I warn the hon. Members who are representing the regional parties and who are now part of this Government that this is a death knell for them. When they go out of this Government, the States will be put to ruin and they would feel the difficulty. At that time, the Centre will not come to their help. The Centre is looking after its own interest. It is concerned about its income only, its tax revenues only. It is not concerned about sharing of taxes. So, I advise them accordingly, particularly the DMK party Members who always speak about Tamil Nadu that they would feel the difficulty if this amendment is passed.

Shri Baalu, this will be your death-knell and the people of Tamil Nadu will be the big losers. You will not be there always. Your party will not be there always. A Government will come which may not have the same feeling as this Government has.

With these words, I oppose this Bill with all vehemence and support the idea of sharing the gross proceeds.

**श्रीमती रेनु कुमारी (खगड़िया) :** सभापति महोदय, दसवें वित्त आयोग की सिफारिशें लागू करने के लिए जिससे राज्यों में पैसा जाता है, यह संशोधन लाकर केन्द्र सरकार ने बढ़ाई का काम किया है। मैं अपनी तथा अपनी पार्टी की तरफ से सरकार को बढ़ाई देती हूँ। पैसा तो केन्द्र से निश्चित ही जाता है लेकिन हमें बहुत ही खेद के साथ कहना पड़ रहा है कि खासकर बिहार जैसे प्रदेश में इस पैसे का दुरुपयोग होता है। यह पैसा खर्च नहीं हो पाता। हमारे प्रदेश में बाढ़ की बहुत भयंकर समस्या है। जुलाई अगस्त के महीने में बाढ़ से पूरा प्रदेश घिर जाता है लेकिन इस बाढ़ की रोकथाम के लिए राज्य सरकार की ओर से कोई काम नहीं हो पाता। अभी हमारे बिहार में गंगा और कोसी से कटाव की बहुत ही भयंकर समस्या है लेकिन जब मैं प्रदेश में आफिसर या राज्य सरकार के मंत्री से बात करती हूँ तो वे कहते हैं कि पैसे नहीं है और जब मैं बात करती हूँ कि केन्द्र से पैसे लाकर आपको देती हूँ कि और केन्द्र सरकार मदद करना चाहती है तो उनके पास काम करने के लिए एजेंसी नहीं है। एजेंसी इसलिए नहीं है कि वहां लूटमार होती है। परसेंटेज की बात होती है तो मुझे लगता है कि बिहार जैसे प्रदेश में केन्द्र सरकार अपने पैसे को भेजकर अपने पैसे का दुरुपयोग ही करती है। हमारे यहां कोसी बांध कई जगह टूटा हुआ है। हमारे यहां करांची तटबंध है जिसकी हालत छिन्न-भिन्न है। मैं आपको ताजा घटना बता रही हूँ, हमने वहां के ए.सी. से बात की लेकिन ए.सी. ने ऐसे लोगों को ठेकेदारी देने का निर्णय किया है जिससे पिछले साल भी बांध बनाने की बात हुई थी लेकिन बांध नहीं बन पाया। इस बार भी लगता है कि बांध नहीं बन पाएगा। हमारे बिहार को सूखे की भयंकर स्थिति से भी गुजरना पड़ता है लेकिन राज्य सरकार इस तरफ भी अपना ध्यान नहीं देती। मेरी समझ में नहीं आता कि बिहार जैसे प्रदेश को भी पैसे की कोई जरूरत है? बिहार में शिक्षा की स्थिति भी बहुत खराब है। बिहार में पहले जो कृषि विज्ञान केन्द्र था, उसको बंद कर दिया गया है और उसकी जगह अब चरवाहा विद्यालय खोल दिया गया है। चरवाहा विद्यालय की क्या स्थिति है, न वहां टीचर है, न वहां एक विद्यार्थी है और सच पूछिये तो वहां अब एक भैंस भी चरने नहीं जाती। इसलिए मुझे नहीं लगता कि वहां पैसे की कोई उपयोगिता है? वहां लॉ एंड ऑर्डर की भी समस्या है। बिहार सरकार को आखिर किसलिए पैसा चाहिए जबकि वहां लॉ एंड ऑर्डर पर कोई पैसा खर्च नहीं करती, पुलिस प्रशासन को दुरुस्त नहीं कर पाती। रोज वहां हत्याएं होती रहती हैं। हमें समझ में नहीं आता कि वहां किसलिए पैसे की जरूरत है? वहां एम.एल.ए., एम.पी. और मंत्री की हत्या होती है। इससे आप सोच सकते हैं कि साधारण नागरिक की क्या हालत होती होगी। फिर राज्य सरकार को पैसे किसलिए चाहिए? मैं कहना चाहती हूँ कि वहां की सड़कें गदगदों में तबदील हो गई हैं। अस्पताल की स्थिति बहुत खराब है। अस्पताल में रोगी मरते रहते हैं। अस्पताल है तो भवन नहीं है। भवन है तो डॉक्टर नहीं है। डॉक्टर है तो दवाई नहीं है और अगर दवाई मुश्किल से मिल जाती है तो जांच करने की कोई मशीन नहीं है। मंत्री तो वहां बहुत हैं। 80-85 मंत्री हैं, उन मंत्रियों पर पैसा खर्च किया जाता है। लेकिन मुझे कहने में कोई संकोच नहीं है कि विकास के नाम पर भी पैसा खर्च नहीं किया जाता।

**श्री प्रवीण राट्टपाल (पाटन) :** बिहार में पैसा लगता है।... (व्यवधान) सच बात कड़वी लगती है।



**श्रीमती रेनु कुमारी :** मैं कहना चाहती हूँ कि बिहार जैसे गरीब प्रदेश में पंचायतों के चुनाव नहीं हुए हैं। वहाँ जब पंचायतों के चुनाव नहीं होंगे, तो विकास के पैसे पंचायतों को कैसे पहुंचेंगे। इस वजह से विकास के काम नहीं हो पाते हैं और विकास के काम ठप्प पड़े हुए हैं।

महोदय, केन्द्रीय सरकार DRDA के माध्यम से पैसा भेजती है, इंदिरा आवास योजना के माध्यम से पैसा भेजती है, लेकिन कोई काम नहीं होता है। वहाँ का डीएम राजद माइन्डेड है। एक भी काम जो सही ढंग से होना चाहिए, वह नहीं होता है। बरसात का मौसम आने वाला है, जहाँ पुल बनाने की जरूरत है, वहाँ उसको बनाने से इन्कार करता है। ऐसी स्थिति में राज्य को पैसा भेजने से कोई फायदा नहीं है। हमें आर्सीसी का पुल चाहिए, लेकिन पुल बनाने के लिए उनके पास न पैसा है, न समय है और न वे काम करने के लिए तैयार होते हैं। इसलिए मैं आपके माध्यम से कहना चाहती हूँ जब तक DRDA के माध्यम से विकास के लिए एमपी को अध्यक्ष नहीं बनाया जाएगा, केन्द्रीय सरकार के पैसे का दुरुपयोग हुआ है और दुरुपयोग होगा।

अंत में, मैं ज्यादा समय न लेते हुए, मैं आपके माध्यम से प्रधान मंत्री जी से कहना चाहती हूँ पिछले दस वर्षों में बिहार राज्य को जो पैसा दिया गया है, उस पैसे का क्या उपयोग हुआ है, इसकी सीबीआई से जांच होनी चाहिए। जब तक जांच नहीं होगी, तब तक बिहार में जो भी पैसा जाएगा, वह पैसा बेकार हो जाएगा, क्योंकि बिहार में एक भी पैसे का सदुपयोग नहीं होता है। मुख्य मंत्री वहाँ की पढ़ी-लिखी नहीं है। वे नहीं जानती हैं कि पैसे को किस प्रकार खर्च करें, इस कारण पैसा का सही उपयोग नहीं होता है। **â€(‹( व्यवधान)**

**श्रीमती कांति सिंह (बिक्रमगंज) :** ऐसा मत कहिए। आप भी एक महिला है। आप भी वहाँ की सांसद हैं। आप वहाँ जाकर मिलिए और पैसा खर्च कराइए। **â€(‹( व्यवधान)**

**श्री प्रभुनाथ सिंह (महाराजगंज-बिहार) :** माननीय सदस्या का यह कहना है कि कांति सिंह जी को वहाँ का मुख्य मंत्री बना दिया जाए, वहाँ की मुख्य मंत्री पढ़ी-लिखी नहीं है। **â€(‹( व्यवधान)**

(अध्यक्ष महोदय पीठासीन हुए)

**श्रीमती रेनु कुमारी (खगड़िया) :** महोदय, मेरा इरादा यह नहीं है कि मैं एक महिला का अपमान करूँ। मैं भी एक महिला हूँ। मैं जानती हूँ कि महिला स्वयं कमजोर होती है। **â€(‹( व्यवधान)** मैं कहना चाहती हूँ कि लोग पढ़े-लिखे नहीं रहेंगे, तो देश कैसे चलायेंगे और कैसे प्रदेश चलायेंगे। उनकी समझ में नहीं आएगा कि अर्थ-व्यवस्था क्या है, राजनीतिक व्यवस्था क्या है। जब यह समझ में नहीं आएगा, तो राज्य को चलाना क्या संभव हो जाएगा। **â€(‹( व्यवधान)** मैं विवाद में नहीं पड़ना चाहता हूँ। कांति जी मंत्री रह चुकी है और मैं कहना चाहती हूँ कि लालू जी जेल में है और बिहार का सारा काम ठप्प पड़ा हुआ है, वहाँ एक काम भी नहीं हो रहा है।

**â€(‹( व्यवधान)**

**श्रीमती कांति सिंह :** पंचायत का पैसा यहाँ से जाता नहीं है और कह देते हैं कि पैसा दे दिया गया है, लेकिन काम नहीं हो रहा है।

**श्रीमती रेनु कुमारी :** महोदय, मैं आपके माध्यम से प्रधान मंत्री जी से कहना चाहती हूँ कि पिछले दस सालों में जो बिहार राज्य को पैसा दिया गया है, उसे पैसे की सीबीआई के माध्यम से जांच होनी चाहिए कि पैसा कहां खर्च हुआ है।

यह पैसा कहां खर्च हुआ है।...**(व्यवधान)** कटाव पर खर्च हुआ है, सूखे पर खर्च हुआ है, शिक्षा के माध्यम में, लॉ एंड आर्डर के माध्यम में खर्च हुआ है, किस माध्यम में खर्च हुआ है, इसकी जांच की जानी चाहिए।...**(व्यवधान)**

महोदय, अंत में मैं यह कहना चाहती हूँ कि अब जो भी पैसा जाए, उसके लिए हमारी केन्द्र सरकार निर्देश दे कि वे पैसे कहां और किस तरह खर्च होंगे, इस पर एक निगरानी समिति बना कर रखें, जो यह देखे कि इस पैसे का उपयोग होना चाहिए। अगर ऐसा नहीं हुआ तो मैं फिर कहना चाहती हूँ कि बिहार में पैसा भेजने का कोई मतलब नहीं है। ...**(व्यवधान)** इन्हीं शब्दों के साथ मैं इस बिल का समर्थन करते हुए अपना स्थान ग्रहण करती हूँ।

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): Mr. Speaker, Sir, I am grateful to all the Members who have taken part in this debate. I would like to personally apologise to the House for not being present throughout the debate because duty had called me away to the other House. But I have a complete list of all the points which have been made and I hope that in the course of my reply, it will be possible for me to refer to those points and satisfy the Members.

The Tenth Finance Commission on the basis of whose Report this amendment has been brought forward, was appointed by the then Government on 15th July 1992. And let us not forget that the period for which we are working is a period which has expired on the 31<sup>st</sup> March.

The Report was submitted by the Tenth Finance Commission to the then Government on the 26<sup>th</sup> of November 1994. And then between 1994 until that Government demitted office, I am not aware of much action having been taken on this particular recommendation. The Tenth Finance Commission, after making the suggestion said:

" We would recommend that the alternative scheme of resource sharing suggested by us may be brought into force with effect from the 1st April, 1996 after necessary amendment to the Constitution."

Thus, after that Government demitted office and was replaced by the Government known as the United Front Government, That Government initiated some measures but they also could not bring it before Parliament and the Constitution amendment proposal remained pending.

The last Government under the leadership of Prime Minister Shri Atal Bihari Vajpayee had assumed office in March 1998 and on the 14th of July 1998 we came with this amendment. This amendment was referred by you to the Standing Committee of Parliament and by the time their report came and the matter could be processed further,

unfortunately the Twelfth Lok Sabha got dissolved and therefore, we could not bring the Constitution amendment before this House.

We have taken once again as expeditious action as was possible and we have brought this matter before this House for consideration so that this recommendation of the Tenth Finance commission could be given effect to retrospectively from 1st April, 1996.

In the course of the debate, a number of issues have been raised. I will deal with the more important ones in the time at my disposal.

The first issue, which has been raised, is the issue in regard to gross and net. This is the issue on which Shri Varkala Radhakrishnan and friends like him in this House said that they oppose this amendment with all their vehemence.

I would like to very humbly clarify that if you go through all the provisions of the Constitution, and we have quoted those provisions in this Bill which has been circulated, everywhere in all the articles of the Constitution, the phrase used is 'net proceeds'. ...*(Interruptions)* Nowhere does the Constitution talk about gross proceeds. It talks about net proceeds. What is the difference between net proceeds and gross proceeds? The difference between the net proceeds and the gross proceeds is the one – the cost of collection, the money, which the Government of India spends on collections, and any refund, which we might make. Who calculates the net proceeds? We do not calculate the net proceeds. It is the C&AG who calculates the net proceeds. It is done on the basis of calculation done by the C&AG. He is a Constitutional authority under the provisions, on the basis of which the devolution of Central taxes to the States takes place.

Therefore, when we looked at it again, we came to the conclusion that it will not be fair to change this basic structure in the Constitution because the Constitution is talking of net proceeds everywhere, and, therefore, in just one amendment, if we bring in the concept of gross proceeds, then it will not be fair. But we did not want; it was not our intention at all to do away the States out of their share.

In fact, on the day the Cabinet approved this and the Government spokesman, my colleague, the Minister of Parliamentary Affairs was briefing the Press, he was the one who told the Press that there might be a shortfall of around Rs. 2,000 crore as a result of the change of definition between gross and net. I am hastening to add that we will make up this loss for the States.

A number of Chief Ministers were also concerned about this thing. They wrote to the Prime Minister. They wrote to me. In all cases we have replied with the assurance that this loss, as calculated by the C&AG, will be made good by the Government of India and that this 29 per cent of the devolution formula will not stand in the way, and if it becomes necessary, then this 29 per cent will be raised to 29.3 per cent or 29.4 per cent. We will have absolutely no hesitation in doing this, and therefore, â€¦*(Interruptions)*

SHRI BASU DEB ACHARIA (BANKURA): When the Government of India will compensate the loss to the State Governments, then what is the difficulty in amending the net by gross? You can amend the Constitution. ...*(Interruptions)*

SHRI YASHWANT SINHA: The difficulty is very simple. We are trying to observe the basic framework of the Constitution, the basic concepts in the Constitution. The basic concept, as I said, is 'net proceeds'. Therefore, if there is any loss, I am standing here before this House and on behalf of the Government, I am assuring that that loss will be made up. Now, this is one time for four years. What is the history? As we know, the Finance Commissions are appointed at an interval of five years. It is the Finance Commission which recommends the devolution of taxes between the Centre and the States.

17.00 hrs.

The Finance Commission's recommendations are considered so sacrosanct that a convention has built up over a period of time that the Finance Commission's recommendations, though they are recommendations, are accepted *in toto* by the Government of India and implemented. They are accepted *in toto*. Finance Commissions' recommendations are not altered by the Government of India. That is the respect, that is the authority which is attached to the Finance Commission. In this case, what happened? The Tenth Finance Commission made the recommendation that 29 per cent of all taxes collected by the Government of India, whether shared with the States or not, or shared in whatever proportion, should be replaced by a new formula that 29 per cent of all taxes, even those taxes which were not shared with the State Governments, should be devolved to the States. This was their recommendation. The other part of their recommendation was that this formula of 29 per cent devolution of all taxes to the States should not be disturbed for 15 years. This was the recommendation of the Finance Commission. Now,

the then Government, in its meeting with the Inter-State Council, agreed to the suggestion that this 15-year period should be altered and it should be made five years. 29 per cent remained but 15 years was reduced to five years. We have abided by that decision taken in the meeting of the Inter-State Council. We have not altered that. Then we appointed the Eleventh Finance Commission, and as far as the Eleventh Finance Commission is concerned, one of the Terms of Reference of the Eleventh Finance Commission is to make a further recommendation in regard to the devolution of Central taxes to the States. When the Report of the present Commission comes in the next few weeks, then I hope that they will be making recommendation in this regard. Therefore, if there is any impression in the mind of any hon. Member or any Chief Minister that this Government does not want to give to the States what is their due, then let me disabuse that impression completely. We are committed to giving the States what is due to the States, even if it involves going beyond 29 per cent. So, let there be no doubt in that regard.

Shri Trilochan Kanungo raised the issue of the Central sales-tax. Let me assure him that the Central sales-tax is fully assigned to the States under the present arrangement and the Central sales-tax will continue to be fully assigned to the States. We are not even bringing the Central sales-tax into the pool, which will enable us to keep 71 per cent of it and distribute only 29 per cent.

SHRI TRILOCHAN KANUNGO (JAGATSINGHPUR): I talked about the backward States.

SHRI YASHWANT SINHA: Sir, that is an issue which is being discussed separately. It has been discussed with the Chief Ministers, it has been discussed in a Committee of the Chief Ministers and the State Finance Minister, which the Prime Minister had asked me to call after the Inter-State Council meeting. We are doing that and there is already quite deep close interaction with all the State Governments on that score.

The Eleventh Finance Commission has, as its Terms of Reference, devolution not only to the State Governments but also further devolution to the *Panchayati Raj* Institutions, from the State Governments. So, this is an issue which will be taken care of.

When Dr. Raghuvansh Prasad Singh was speaking, I am told, he raised the issue that why make it applicable from 1.4.1996 and not from 1.4.1995. The Tenth Finance Commission had recommended that it should be made applicable from 1.4.1996 and that is why it is 1.4.1996.

Now, there is one point to which I would like to reply before I am done. That is again an issue which Shri Varkala Radhakrishnan had raised. He challenged the sincerity of the Government in regard to our attitude, our willingness to share the funds with the State Governments. We are all aware that there is a constitutional arrangement determined by the Finance Commission under which devolution of Central taxes takes place. Then, outside of the framework of the Constitution ... (*Interruptions*) let me explain and then you can ask your questions. I am replying to your point. You must listen to me fully.

Then, there is the Planning Commission which makes available to the States, Plan funds which are given or made available for every Annual Plan as budgetary support by the Government of India for the Centre and the State Plans. But as far as the sincerity of this Government is concerned, did we wait for the implementation of the recommendations of the Finance Commission? Did we wait for this constitutional amendment? Did we wait for the recommendations of the Eleventh Finance Commission? We did not. When the States came under pressure, like we did, as a result of the impact of the Fifth Pay Commission – and I have stood before this House and repeated it on many occasions that the States collapsed under the weight of the recommendations of the Fifth Pay Commission.

I know this for a fact that the then Finance Minister had promised in a meeting of either the N.D.C. or the Inter-State Council that the States will be fully taken into confidence before the Government of India took a decision to implement the recommendations of the Fifth Pay Commission. The then Government of India did not take the States into confidence. The then Government of India unilaterally took a decision about the implementation of the recommendations of the Fifth Pay Commission.

The impact on the States was absolutely unavoidable. I had said on some other occasion that even if we had dropped an atom bomb or a nuclear device on the States, probably they would not have suffered as much as they have suffered as a result of these recommendations which, as a result of our action, were imposed on the States.

What happened then? The hon. Prime Minister called a meeting of the National Development Council. In the National Development Council, Chief Minister after Chief Minister pleaded with the Prime Minister that they had run into a great deal of difficulty as a result of this and the Government of India must come to their rescue.

Now, the Government of India is not the lender of the last resort. This is not the constitutional requirement. But the Government of India has never shrunk from its responsibility. I would like to say that I came before this House

...(Interruptions) Then I came with the Supplementary Demands last year. We placed an amount of Rs. 5,000 crore - Rs. 3,000 crore Budget plus Rs. 2,000 crore additional market borrowing - at the disposal of the State Governments by means of augmented ways and means support so that the States could get over the problems created by the Fifth Pay Commission in the medium term.

We are in touch with every State Government and we are helping them to draw up programmes and policies which will enable them as it will enable us to get over the dis-impact in the medium term.

We did not wait and that is a proof of our sincerity. Again, when there was a question of what will happen to the States in the beginning of the financial year last year, we talked to the Reserve Bank of India and we made sure that something like Rs. 1,500 crore worth of accommodation was made available to the State Governments by way of expanded ways and means arrangement with the Reserve Bank of India.

Whenever the States have approached us either collectively or individually, whether it is the drought of Orissa, whether it is a natural calamity anywhere or whether it is the present drought, on every occasion the Government of India under the leadership of Prime Minister Shri Atal Bihari Vajpayee has gone out of its way to help the State Governments. And this is the attitude in which we shall approach our relationship with the States. We are committed to cooperative federalism and we will make sure that while our own financial situation is not very happy, still we will make sure that no State will suffer.

Let me inform this House that in the last one year, State after State has run into overdrafts.

They have pierced or exceeded the arrangement with the RBI. On every occasion, we came to the rescue of the States and made sure that no State was in default, no State's payments were stopped by the RBI. So, that is the attitude that we have.

**श्री रघुवंश प्रसाद सिंह (वैशाली) :** दसवे फाइनेन्स कमीशन की रिक्मेंडेशन के बावजूद बिहार के पंचायत राज का छः सौ करोड़ रुपया रोककर रखा हुआ है। सुप्रीम कोर्ट में मामला लंबित है। आरक्षण के कानून को हाई कोर्ट ने पारित किया है और बिहार में पंचायत राज का छः सौ करोड़ रुपया दसवे फाइनेन्स कमीशन द्वारा अनुशंसित है, वहां ग्राम सभा सरकार है। ( व्यवधान)

**अध्यक्ष महोदय :** आपने भाषण में बोल दिया है, ठीक नहीं है, आप बैठ जाइये। ( व्यवधान)

**श्री रघुवंश प्रसाद सिंह :** संविधान की धारा 342 के अधीन वहां ग्राम सभा मौजूद है और दसवे वित्त आयोग की अनुशंसा के बावजूद बिहार सरकार में पंचायत राज का पैसा रोका हुआ है। इसमें बिहार सरकार का कसूर नहीं है, बिहार की जनता का कसूर नहीं है। केन्द्र सरकार ने पंचायत राज का छः सौ करोड़ रुपया रोका हुआ है, वह क्यों रोका हुआ है, इसका जवाब आना चाहिए। ( व्यवधान)

SHRI YASHWANT SINHA: Before this Government assumed office, there was no provision for giving security-related expenditure to the States. Now, in consultation with the Ministry of Home, we have started giving this to all the State Governments, which are facing problems of terrorism and where the law and order problem is serious. The Government of India is going out of its way to give them security-related expenses. We are sharing it with the States. A sum of Rs. 1,500 crore has been made available to the State Governments in this regard.

Now, Sir, I will come to the issue, which has been raised by Shri Raghuvansh Prasad Singh. इसी समय उन्होंने इस बात को भी उठाया है और मैंने पहले भी इसका उत्तर दिया है कि बिहार इस देश का एक ऐसा खुशनुसीब प्रदेश है, जिसने पिछले आठ या दस वर्षों, मुझे ठीक से याद नहीं है। ( व्यवधान) बिहार ने अपनी माली हालत को इतने अच्छे तरीके से मैनेज किया है कि बिहार में कोई ओवरड्राफ्ट नहीं हुआ है। सब राज्यों में ओवरड्राफ्ट होते हैं। लेकिन बिहार इतना खुशहाल प्रदेश है कि उसका पिछले दस वर्षों में कोई भी ओवरड्राफ्ट नहीं हुआ है। केवल ओवरड्राफ्ट ही नहीं हुआ बल्कि उसका कई सौ करोड़ रुपया रिजर्व बैंक के ट्रेजरी बिल में जमा है, बिहार इतना खुशहाल प्रदेश है। मैं बताना चाहूंगा कि मेरे वित्त मंत्री बनने के बाद बिहार की मुख्य मंत्री महोदया की तरफ से मुझे पहली बार पत्र प्राप्त हुआ है, जिसमें उन्होंने कहा है कि आप भारत सरकार की तरफ से जल्दी पैसा रिलीज कर दीजिए। मैंने एक दिन के भीतर, यानी 24 घंटे के भीतर, बिहार को यह पैसा रिलीज कर दिया। इसलिए जहां तक पंचायत राज के लिए दसवे वित्त आयोग की सिफारिशों का सवाल है, मैं कहना चाहता हूँ कि उसी दसवे वित्त आयोग की जिन्होंने यह सिफारिश की कि पंचायत राज इंस्टीट्यूशन के लिए अलग से भारत सरकार द्वारा पैसा दिया जाए, उसमें यह शर्त लगाई कि यदि वहां चुनाव नहीं होते हैं तो यह पैसा उपलब्ध नहीं कराया जायेगा। फिर भी जब यह मामला सामने आया, चूंकि फाइनेन्स कमीशन की मियाद खत्म हो रही थी, बिहार सरकार ने उससे बात की, उन्होंने पत्र भेजा, नीतीश जी यहां बैठे हैं, पत्र भेजने वाले वही थे, जब वह कुछ दिनों के लिए बिहार के मुख्य मंत्री थे, इन्होंने मुझे उस इश्यु पर पत्र भेजा कि आप बिहार के इस पैसे को बचाइये, तब उसके बाद बिहार की वर्तमान मुख्य मंत्री ने उसी पत्र को दोबारा मेरे पास अपने हस्ताक्षर से भेजा और यह कहा कि इस पैसे को बचाइये। मैंने कहा कि इस वित्तीय वर्ष में बिहार में पंचायतों, लोकल बॉडीज के चुनाव हो जाते हैं तो मैं कोई न कोई उपाय करके बिहार को वह पैसा उपलब्ध कराऊंगा। लेकिन अगर बिहार की सरकार की नीयत चुनाव कराने की नहीं है तो मैं इस फाइनेन्स कमीशन की सिफारिश से बंधा हुआ हूँ। ( व्यवधान)

**श्री मुलायम सिंह यादव (सम्मल) :** हम आपसे जानना चाहते हैं कि आप माननीय नीतीश जी और श्रीमती सुमा स्वराज को नौकरी देंगे या नहीं देंगे?

**डॉ. रघुवंश प्रसाद सिंह :** 73वें संशोधन में था और सुप्रीम कोर्ट में मामला लंबित है।

। ( व्यवधान)

अध्यक्ष महोदय : यह ठीक नहीं है। आप बैठ जाइए।

...(व्यवधान)

श्री रघुनाथ झा (गोपालगंज) : सुप्रीम कोर्ट ने कोई स्टे नहीं दिया और पटना हाई कोर्ट ने ठीक (व्यवधान)

अध्यक्ष महोदय : आप बैठ जाइए।

...(व्यवधान)

अध्यक्ष महोदय : यह अच्छी बात नहीं है।

...(व्यवधान)

MR. SPEAKER : Shri Jha, please take your seat.

SHRI YASHWANT SINHA: Mr. Speaker, Sir, I would, therefore, request and plead most humbly that this constitutional amendment which has the consensus of all the political parties and which has been dealt with by three Governments in succession, it will be in the fitness of things if this House passes this Constitutional Amendment Bill unanimously rather than opposing it.

SHRI MADHAVRAO SCINDIA (GUNA): Mr. Speaker, Sir, the hon. Finance Minister talked about cooperative federalism. But cooperative federalism is a two way street. I can understand that there are certain problem-States where they are backward; where there are special development problems; then there are areas like the North-East where economically we have to give a greater push; and then there are certain States that are terrorist affected and you have to assist them. But there are examples, glaring examples of some very rich and some very advanced States that are indulging in tremendous financial rashness. Is there no way, we fully support this 29 per cent, by which the Finance Minister can take some initiative through the NDC or the Inter-State Council and ensure that at least some of these rich States – I know of a very rich State which has overspent its revenue expense by 73 per cent – some of these comparatively advanced States adhere to some more rigorous code of financial discipline?

Sir, I would also like to point out to the hon. Finance Minister, I had pointed it out while participating in the discussion on the Budget, that there are many States where the Plan Budget is mis-spent. You give them Budgetary support, the Planning Commission sanctions them a certain amount but the money is spent elsewhere. I remember, when I was the HRD Minister there was a particular State where we gave crores of rupees for education. After one year when we enquired as to how this money was spent, it was found that it had all been spent on revenue expenditure of that Government on things that were totally alien to education. Can the Planning Commission also not be given a little more teeth so that they could enforce financial discipline at least as far as Plan Budgets are concerned?...(Interruptions)

MR. SPEAKER: No, no, please take your seat.

SHRI SANSUMA KHUNGGUR BWISWMUTHIARY (KOKRAJHAR): There are a lot of problems in the ... (Interruptions) Why is the Minister not talking about all these things ... (Interruptions)

MR. SPEAKER: Please take your seat.

SHRI SANSUMA KHUNGGUR BWISWMUTHIARY : What kind of economic justice are you going to do? It is a very serious matter ... (Interruptions) It is not a question ... (Interruptions) I would like to demand from the Government of India ... (Interruptions)

MR. SPEAKER: Shri Bwiswmuthiary, please take your seat. I have called Shri Somnath Chatterjee.

SHRI SOMNATH CHATTERJEE : Sir, we are supporting this Amendment Bill. But one of the observations ... (Interruptions)

MR. SPEAKER: We have to pass another Constitutional Amendment Bill today.

SHRI SOMNATH CHATTERJEE : Sir, I would take only one minute.

Sir, one of the statements made by the hon. Finance Minister is that the recommendations of the Finance Commission are always accepted. The Finance Minister said that. Today we are bringing in a Constitutional Amendment which is not for five years only, though the Finance Minister has mentioned twice that it is for five years. No. Until the next Finance Commission makes a better recommendation, this, I hope, at least will continue.

Therefore, it is changing the organic law that will continue for ever until the Finance Commission makes another recommendation that is accepted by the Government.

Sir, the hon. Finance Minister has said that the Constitution provides for net allocation, that is allocation of the net amount. But knowing about this provision and being fully conscious of that position, the Finance Commission made a recommendation of allocation of the gross proceeds. Therefore, they have made a conscious change here in the recommendations of the Finance Commission and the Finance Minister says that the Government is changing that although the recommendations of the Finance Commission are always accepted. Therefore, you have made a change in the recommendation of the Finance Commission when the Finance Commission made a conscious change. Therefore, I would like to know as to why this change was made when the Finance Commission made a departure from the previous arrangement of the Constitutional provision.

SHRI K. YERRANNAIDU (SRIKAKULAM): Sir, the hon. Finance Minister has declared the year 1999-2000 as the 'Gram Sabha Year'. It is a good decision. The Tenth Finance Commission has recommended Rs. 4 crore for the Gram Panchayats for four years. This recommendation has not been implemented for the first year. But the Government of Andhra Pradesh got only two instalments. The third and the fourth instalments has not been received so far. The Gram Panchayat, with the expectation that they would receive the third and the fourth instalments, passed some Resolutions and prepared estimates for execution of the works. The Panchayati Raj Sammelan Committee approached the Minister of Rural Development for releasing two instalments. The hon. Minister also promised to release the same. But those were not released to the Gram Panchayats by 31<sup>st</sup> of March. This is a recommendation of the Tenth Finance Commission. I would like to know the latest position about this from the hon. Finance Minister.

**श्री मोहन रावले (मुम्बई दक्षिण मध्य):** अध्यक्ष महोदय, मैं आपके माध्यम से वित्त मंत्री महोदय के ध्यान में लाना चाहता हूँ कि मुम्बई शहर में सभी राज्यों से एक से डेढ़ हजार लोग प्रतिदिन आते हैं जिसके कारण हमारे पानी के ऊपर, स्वास्थ्य सेवाओं के ऊपर बोझ पड़ता है जिसके कारण हमारे स्लम्स बढ़ते हैं। यह स्थिति केवल मुम्बई की नहीं बल्कि सभी मेट्रोपोलिटन सिटीज जैसे कलकत्ता, दिल्ली और मद्रास की है। मुम्बई से भारत सरकार को 20 हजार करोड़ रुपए से ज्यादा धन विभिन्न करों के रूप में मिलता है, लेकिन वित्त मंत्री महोदय ने मुम्बई के लिए कोई धन देने का प्रावधान नहीं रखा है। इसलिए मैं उनसे विनती करना चाहता हूँ कि मुम्बई शहर और अन्य मेट्रोपोलिटन सिटीज के लिए दो हजार करोड़ रुपए देने का प्रावधान करें। मुझे इतना ही कहना है। आपका धन्यवाद।

DR. NITISH SENGUPTA (CONTAI): Sir, thank you very much. I rise to support this Bill, which to my mind has been long over-due.

Sir, the Constitution uses the expression, 'India will be a Union of States'. It is something that was observed more in breach than in observance. This is a very timely attempt to set some of those distortions right and to bring us back to the concept of Union of States.

Sir, the basic principle about transferring this 29 per cent of all the revenues to the States is that earlier, except for Income Tax, there was no compulsion on the Government to transfer resources to the States. From now on, it will be based on a system. No longer would the States be supplicants trying to come and beg from the Union Finance Ministry or other authorities for more funds but they would stand on their own rights. Certain portion of Central Excise, Customs and everything else would be passed on to them automatically.

Sir, the difference between the gross and the net proceeds, I think, has been explained properly by the hon. Finance Minister.

MR. SPEAKER: You can only seek clarification.

DR. NITISH SENGUPTA : Sir, I fully support this Amendment Bill. ...(*Interruptions*)

SHRI RAMESH CHENNITHALA (MAVELIKARA): Mr. Speaker, Sir, we are all aware that the revenue base of the economy has changed dramatically. In view of this, will the Finance Minister take a fresh look at the taxes that can be shared between the Centre and the States?

SHRI YASHWANT SINHA: Sir, in regard to the points that have been raised by Shri Madhavrao Scindia, I would like to say that in the spirit of cooperative federalism, we are in constant touch, institutionally and informally, with the State Governments. We are in touch with the State Governments institutionally through the meetings of the NDC, through the meetings of the Inter-State Council, through the Standing Committee of the Inter-State Council, and through the Standing Committee of the State Finance Ministers of which the West Bengal Finance Minister is the Convenor.

**श्री सोमनाथ चटर्जी :** उसको पम्प कर दिया, वह मर गया।

**श्री यश्वन्त सिन्हा :** उसको बनाया, इसके लिए तो आप मुझे धन्यवाद दीजिए।

श्री सोमनाथ चटर्जी : हम जानते हैं क्यों बनाया?

SHRI YASHWANT SINHA: And we are in touch informally with the Chief Ministers. When we devised this extra ways and means fund, for which I had come to Parliament through the Supplementary Demands last year and got the approval of Parliament, we discussed this matter with the State Governments. I do not know whether there is a rich State in India or not but Shri Madhavrao Scindia believes that there are some rich States and that there are some poor States.

SHRI MADHAVRAO SCINDIA : I said that in comparative terms.

SHRI YASHWANT SINHA: We are in touch with all the State Governments practically. Many of them, at their own initiative have even entered into memoranda of understanding that they will take a number of steps. There are milestones fixed; there are time schedules fixed and those States have taken many of those steps. So, there is a consciousness among the States also today that the fiscal situation is bad, it is bad for the whole country and not only for that State, and that all of us have to do something together in order to get over that problem. This process is going on.

I will humbly plead that we should all assist in that process so that we are able to build a larger national consensus cutting across political lines; so that those who are in governance, whether at the Centre or in the States, are able to solve this national problem of fiscal deficit about which concern has been expressed repeatedly in this House. That is exactly the direction in which we are proceeding. But I am not the Comptroller and Auditor General of India. The Finance Ministry of the Government of India cannot take the responsibility which is given under the Constitution to the Comptroller and Auditor General of India. The Comptroller and Auditor General audits the accounts and submits his reports to the State Legislatures. The State Legislatures are then supposed to look at the reports. If there are instances, they have their own consequences. But I would like to assure the House that we are using every opportunity, every occasion to jointly understand with the States the problems and the solutions.

In regard to the issue that has been raised by Shri Somnath Chatterjee, I agree that there is a change. We have not concealed it! We are saying that it is good. We are giving the reason also as to why it is good and how we are going to compensate the States. But the point which I would like to make is that this is not the only change which has been made in the Finance Commission's recommendations. The first change that was made was reducing the period from 15 years to five years.

SHRI SOMNATH CHATTERJEE : That is not in the Constitution.

SHRI YASHWANT SINHA: That is not in the Constitution, but that is clearly understood because the Inter-State Council decided it and the Eleventh Finance Commission's Terms of Reference include it.

The other point which I would like to make is, if the Governments of the day had moved in this matter in good time, maybe this Constitutional Amendment would have been discussed in some Lok Sabha, maybe in 1995, 1996 or in 1997. We should not have waited until the Year of the Lord 2000 for this Constitutional Amendment. However, there were problems and there were delays. If the Eleventh Finance Commission or any subsequent Finance Commission were to make recommendations, we will certainly come back to the House and suggest those Constitutional changes. That is as far as that issue is concerned.

In regard to the issue of giving money separately to Mumbai, I would like to tell Shri Rawale that Mumbai is supposed to be the commercial and trade capital of the whole country.

There are people going from all over the country and there are businesses also going from all over the country to Mumbai. So, Mumbai gets the advantage as well as the disadvantage of both. But in any case, this is not the occasion where we should be discussing what should be done for individual cities. ...(*Interruptions*)

So, I would suggest that the House adopt this Constitutional amendment with acclaim. ...(*Interruptions*) Sir, in regard to the issue, which has been raised by Shri Yerrannaidu about disbursing those two instalments to the State of Andhra Pradesh, I will have to check it up. ...(*Interruptions*)

MR. SPEAKER: Nothing will go on record except the Minister's speech.

(*Interruptions*) \*â€

SHRI YASHWANT SINHA: I do not have the information just now. I will check up that information. ...(*Interruptions*)

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\*Not recorded

MR. SPEAKER: There is an amendment to the motion for consideration. Shri Varkala Radhakrishnan, are you pressing your amendment no.1?

SHRI VARKALA RADHAKRISHNAN (CHIRAYINKIL): Yes, Sir.

MR. SPEAKER: I shall now put amendment no.1 moved by Shri Varkala Radhakrishnan, to the motion for consideration to the vote of the House.

*The amendment no. 1 was put and negatived.*

MR. SPEAKER: Before I put the motion for consideration of the Bill to the vote of the House, I would like to say that this being a Constitution (Amendment) Bill, voting has to be by division.

Let the Lobbies be clearedâ€”

MR. SPEAKER: Now, the lobbies have been cleared.

Kind attention of the Members is invited to the following points in the operation of the Automatic Vote Recording System:

1. Before a Division starts, every Member should occupy his or her own seat and operate the system from that seat only.

2. As may kindly be seen, the "Red bulbs above display boards" on either side of my chair are already glowing. This means the voting system has been activated.

3. For voting, press the following two buttons simultaneously immediately after sounding of first gong, viz.,

(i) One "Red" button in front of the Member on the head phone plate; and

(ii) Any one of the following buttons fixed on the top of desk of seats:

`Ayes' -- Green colour

`Noes' -- Red colour

`Abstain' -- Yellow colour

4. It is essential to keep both the buttons pressed till the second gong sound is heard and the red bulbs are "off".

The hon. Members may please note that the vote will not be registered if both buttons are not kept pressed simultaneously till the sounding of the second gong.

5. Do not press the amber button (p) during Division.

6. Members can actually "see" their vote on display boards and on their desk unit. In case vote is not registered, they may call for voting through slips.

The question is:

"That the Bill further to amend the Constitution of India, be taken into consideration. "

*The Lok Sabha divided:*

MR. SPEAKER: Subject to correction, the result\* of the division is:

Ayes: 335



Noes: 2

The motion is carried by a majority of the total membership of the House and by a majority of not less than two-thirds of the Members present and voting.

*The motion was adopted.*

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MR. SPEAKER: The House shall now take up clause-by-clause consideration of the Bill.

Clause 2 Amendment of article 269

MR. SPEAKER: There are amendments to this clause. Shri Kanungo, are you moving amendment No. 2?

SHRI TRILOCHAN KANUNGO (JAGATSINGHPUR): I beg to move:

Page 2, line 12,-

for "formulated by Parliament by law"

substitute "prescribed by Finance Commission" (2)

- 
- o Ayes : 335+Shri Nitish Kumar, Shri Sharad Yadav, Shri Punnulal Mohale, Shri Danve Raosaheb Patil, Dr. Sanjay Paswan, Shri Manjay Lal, Shri Chandrakant Khaire, Shri Raguvir Singh Kaushal, Shri V.P. Singh Badnore, Shri Thirunavukarasu, Shri P.D. Elangovan, Shri D. Venugopal, Shri Trilochan Kanungo, Shri T.M. Selvaganapathi, Shri Subodh Roy, Shri Sushil Kumar Shinde, Shri M.O.H. Farook, Shri P.R. Kyndiah, Shri Vilas Muttemuar, Shri Tarun Gogai, Shri Sinsh Patel, Shri J.S. Brar, Shri Kodikunnil Suresh, Shri Tarachand Bhagora, Shri G.S. Galib, Shri Tilakdhari Prasad Singh =365
  - o Noes:2-Shri Trilochand Kanungo=1

MR. SPEAKER: I shall now put amendment No.2 moved by Shri Trilochan Kanungo to clause 2, to the vote of the House.

*The amendment no.2 was put and negatived.*

MR. SPEAKER: Shri Radhakrishnan, are you moving amendment no.5?

SHRI VARKALA RADHAKRISHNAN (CHIRAYINKIL): I beg to move:

Page 2, line 8,-

for "net"

substitute "gross" (5)

MR. SPEAKER: I shall now put amendment No.5 moved by Shri Varkala Radhakrishnan to clause 2, to the vote of

the House.

*The amendment no.5 was put and negatived.*

MR. SPEAKER: Before I put clause 2 to the vote of the House, I would like to say that this being a Constitution (Amendment) Bill, voting has to be by division.

The Lobbies have already been cleared.

The question is:

"That clause 2 stand part of the Bill."

*The Lok Sabha divided:*

MR. SPEAKER: Subject to correction, the result of the division is:

Ayes: 331

Noes: 01

The motion is carried by a majority of the total membership of the House and by a majority of not less than two-thirds of the Members present and voting.

*The motion was adopted.*

*Clause 2 was added to the Bill.*

Clause 3 substitution of new article for article 270

MR. SPEAKER: There are amendments to this clause also. Shri Trilochan Kanungo, are you moving your amendment Nos. 3 and 4?

SHRI TRILOCHAN KANUNGO (JAGATSINGHPUR): Sir, I am not moving.

SHRI VARKALA RADHAKRISHNAN (CHIRAYINKIL): Sir, I beg to move:

Page 2, line 21,-

for "net"

substitute "gross" (6)

MR. SPEAKER: I shall now put amendment No.6 moved by Shri Varkala Radhakrishnan to the vote of the House.

*The amendment was put and negatived.*

MR. SPEAKER: Before I put clause 3 to the vote of the House, I would like to say that this being a Constitution (Amendment) Bill, voting has to be by division.

The Lobbies have already been cleared.

The question is:

"That clause 3 stand part of the Bill."

*The Lok Sabha divided:*

MR. SPEAKER: Subject to correction, the result of the division is:

Ayes: 367

Noes: Nil

The motion is carried by a majority of the total membership of the House and by a majority of not less than two-thirds of the Members present and voting.

*The motion was adopted.*

*Clause 3 was added to the Bill.* Clause 4 omission of article 272MR. SPEAKER: Before I put clause 4 to the vote of the House, I would like to say that this being a Constitution (Amendment) Bill, voting has to be by division,

The Lobbies have already been cleared.

The question is:

"That clause 4 stand part of the Bill."

*The Lok Sabha divided:*

MR. SPEAKER: Subject to correction, the result of the division is:

Ayes: 381

Noes: nil

The motion is carried by a majority of the total membership of the House and by a majority of not less than two-thirds of the Members present and voting.

*The motion was adopted.*

*Clause 4 was added to the Bill.*

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Clause 1 short title

*Amendment made:*

"Page 1, line 3, --

for "(Eighty-ninth Amendment) Act, 2000"

substitute "(Eightieth Amendment) Act, 2000" (7)

(Shri Yashwant Sinha)

MR. SPEAKER: The question is:

"That clause 1, as amended, stand part of the Bill."

*The motion was adopted.*

*Clause 1, as amended, was added to the Bill.*

*The Enacting Formula and the Title were added to the Bill.*

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SHRI YASHWANT SINHA: I beg to move:

"That the Bill, as amended, be passed."

MR. SPEAKER: The lobbies are already cleared.

The question is:

"That the Bill, as amended, be passed."

*The Lok Sabha divided:*

MR. SPEAKER: Subject to correction, the result of the division is:

Ayes: 378

Noes: nil

The motion is carried by a majority of the total membership of the House and by a majority of not less than two-thirds of the Members present and voting.

The Bill, as amended, is passed by the requisite majority, in accordance with the provisions of article 368 of the Constitution.

*The motion was adopted.*

MR. SPEAKER: The lobbies may be opened now.

**1755 hours**