

>

Title : The Minister of Finance made a statement regarding constitution of the Eleventh Finance Commission.

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA). President of India has constituted the Eleventh Finance Commission on 3rd July 1998. Prof. A.M. Khusro has been appointed the Chairman of the Commission. Shri N.C. Jairaj, Shri J.C. Jetly and Dr. Amaresh Bagchi have been appointed Members and Shri T.N. Srivastava has been appointed the Member Secretary of the Commission.

The recommendations of the Tenth Finance Commission which had submitted its Report in November, 1994 are valid up to March, 2000. The Eleventh Finance Commission has been mandated to give its Report by 31st December, 1999 so that Government's decision on its recommendations may be made effective from 1st April, 2000.

Terms of Reference of the Commission include, as prescribed under article 280 of the Constitution, the sharing of proceedings of Central taxes and grants-in-aid to the States. For the first time, the Finance Commission has been mandated, in terms of 73rd and 74th Amendments to the Constitution, to recommend the measures needed to augment the Consolidated Fund of a State to supplement the resources of the Panchayats and municipalities in the State.

The Commission has been mandated to review the state of the finances of the Union and the States and suggest ways and means by which the Governments, collectively and severally, may bring about a restructuring of the public finances so as to restore budgetary balance and maintain macro-economic stability.

In addition, the Commission has been asked to look into a number of issues concerning the States' Finances, such as, State's indebtedness, calamity relief, requirements for upgradation of standards and pay revision of State Government employees, etc.

The Terms of Reference of the Commission have been finalised after ascertaining the views of the State Governments.

The Gazette Notification regarding the Presidential Order shall be laid on the Table of the House in due course.

18.05 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Tuesday, July 7, WSB/Asadha 18, 1920 (Saka)