

**Title:** Need to review sharing of revenues between Centre and States.

SHRI SUNIL KHAN (DURGAPUR): Sir, the fiscal policies, being pursued by the Union Government, has resulted into massive financial crisis to the State Governments. The Union Government takes away two-thirds share of the total taxes and revenue being collected throughout the country and distributes the rest amongst 28 States. The State Governments are to undertake development works in different sectors, namely irrigation, road, electricity, public health, education and so on.

So far as West Bengal is concerned, the Union Government has not released its share for works related to save the villages from erosion of rivers. Adequate compensation for flood victims and restoration works have been denied. The Union Government has denied to share the financial burden due to implementation of the recommendations of the Fifth Pay Commission's equivalent. Embargo on overdraft has been imposed and 12 per cent interest is being charged on the Central loan, whereas the Centre pays only seven per cent on the loan taken from the market. I demand immediate review of the State-Central financial relationship. The tax collected from different States by the Centre should be distributed, at least 50 per cent, among the States. In the Sub-Committee meeting of the Inter-State Council, it was decided unanimously that 33 1/3 share should be distributed among the States till the time the States' share is increased to 50 per cent.

I urge upon the Union Government to take immediate steps to distribute at least 33 1/3 share among the States and gradually increase it up to 50 per cent.