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Title: Need to provide Special Financial Assistance to Himachal Pradesh and enhance the Special Plan Assistance to the State to meet its financial liabilities-laid.

DR. RAJAN SUSHANT (KANGRA): While the 13th Finance Commission has recommended an overall increase of 126% to all the states compared to the transfers recommended by the 12th Finance Commission, however, for Himachal Pradesh, the increase is only 50%, which is the lowest as compared to any other state in the country. Himachal Pradesh has a committed liability of over Rs. 2200 crore on account of salary and pension arrears from 1.1.2006 to 31.8.2009 due to the 6th Pay Commission recommendations. The 13th Finance Commission has underestimated the salary, interest and pension expenditure by Rs. 617 crore, Rs. 456 crore and Rs. 405 crore respectively for 2010-2011. Not only this, the Commission has assumed an average annual rate of growth in salary expenditure of only about 2% over the period upto 2014-15, where as the actual salary expenditure works out to 55% to 60% of Revenue expenditure. I, therefore, urge upon Hon'ble Prime Minister, Finance Minister & Deputy Chairman, Planning Commission to allocate the following:-

Special Financial Assistance of Rs. 1500 crore to Himachal Pradesh Government during the current year;

- (2) The Special Plan Assistance to Himachal Pradesh for 2011-12 may be enhanced to atleast Rs. 2000 crore so that Himachal Pradesh State may be in a position to conceive a meaningful plan size;
- (3) The State specific grants recommended by the 13th Finance Commission for Himachal Pradesh may be released without linking them to the meeting of fiscal Deficit targets; and
- (4) The fiscal deficit ceiling of 3.5 % for 2010-2011 and 3% for 2011-15 may not be insisted upon for the State.