

MR. DEPUTY-SPEAKER : Mr. Bhandare, will you withdraw your motion ?

SHRI R. D. BHANDARE : I withdraw my motion. I must give the reason before I withdraw. I just wanted to bring this to the notice of the Madhya Pradesh Government.

श्री कंबरलाल गुप्त (दिल्ली सदर) : मध्य-प्रदेश में आज सरकार वाक्यादा काम कर रही है और उसके बारे में यहाँ सवाल उठाना और उसको उठाने की इजाजत आपके द्वारा दिया जाना, ठीक नहीं है। यह स्टेट के एफ़ियर्स में इंटर फ़ीयर्स करना है, वहाँ के इंटरनल मैटर्स में इंटर फ़ीयर्स करना है। वहाँ पर सरकार बनी हुई है। चीफ़ मिनिस्टर ने वहाँ पर ओथ ले ला है। चीफ़ मिनिस्टर के कहने बग़ैर गवर्नर असेम्बली के प्रारोगेशन को खत्म नहीं कर सकते हैं। चीफ़ मिनिस्टर ने पहले ही कह दिया है कि वह हाउस बुलायेगा और वहाँ पर सदन में शक्ति परीक्षा हो सकती है। इस सवाल को यहाँ उठाना गलत है। मे समझता हूँ कि इसको यहाँ डिसकस नहीं किया जाना चाहिए था। जो किया गया है वह गलत है। यहाँ यह सवाल जो डिसकस हुआ है, गलत हुआ है। आज आप मध्य प्रदेश के बारे में ऐसा करते हैं तो कल को आपको महाराष्ट्र के बारे में हो सकता है कि करना पड़े और फिर तीसरे किसी प्रदेश के बारे में भी आपको ऐसा ही करना पड़ सकता है।

MR. DEPUTY-SPEAKER : Please resume your seat. On all occasions,—I must be very clear—when Shri Madhu Limaye, Shri S. M. Banerjee and others raised certain important issues under rule 341, I had permitted them. So, there is no question of distinction. He has withdrawn, and as I have already observed, it should be done. (Interruption)

SHRI R. D. BHANDARE : Before I withdraw—

SEVERAL HON. MEMBERS : No, no.

MR. DEPUTY-SPEAKER : No conditional withdrawl. I will rule it out of order. (Interruption)

SHRI R. D. BHANDARE : This will be taken notice of in Madhya Pradesh. (Interruption)

SHRI RADHIR SINGH : Shame on Shri Kanwer Lal Gupta and his party,

MR. DEPUTY-SPEAKER : Order, order. Shri Sezhiyan.

18.17 hrs.

#### RESOLUTION RE : AMORTISATION OF DEBTS OF STATES—contd.

SHRI SEZAIYAN : Sir, as I was saying, most of the loans that the States have taken from the Centre were because of the capital disbursement and more and more of the loans were taken because of the paucity of the resources available to the States. For example, during the first Five Year Plan, the capital disbursements required by the States were Rs. 980 crores, out of which the loans from the Centre formed Rs. 770 crores, or 77 per cent. During the second Plan period, it was 74 per cent and during third Plan period, it was 89 per cent. That means that important schemes in the States can be implemented only if the Centre gives its consent. The States have to depend on the Centre which has its discretionary powers. Therefore, wherever there is a non-Congress State, wherever the State is not obeying the Centre politically, then financially the Centre uses its power through the backdoor of the Planning Commission, in respect of the allocation of schemes and grants. Therefore, this has to be put an end to. A complete reappraisal of the entire constitutional position in the grant of loans and other amounts should be gone into by an expert committee as suggested by the Administrative Reforms Commission. Unless and until this is done, the smooth working of the federal structure that has come into vogue after the general elections of 1967 will not be there. The Central Government should, for its own good, look into this matter. As I said, only if the States live, the Centre can live. Only if the parts are stronger, the whole can be stronger. With these words, I conclude.

रणधीर सिंह (रोहतक) : उपाध्यक्ष महोदय, जो लोग सरकार को कमजोर करते हैं,

[श्री रणधीर सिंह]

मैं उनसे बड़ा देश का दुश्मन किसी को नहीं समझता हूँ। इस रेजोल्यूशन से देश कमजोर होता है। इस रेजोल्यूशन में डेट को माफ करने की बात कही गई है। अगर मरकज कर्ज देता जायेगा और स्टेट्स उसको वापस करने से इन्कार करती रहेंगे, तो क्या सरकार के दरस्तों पर रुपये लगते हैं? मरकज कहां से रुपया लायेगा? हमारे दोस्तों की भोली फट गई है; उसमें जो कुछ डाला जाये, वह निकल जायेगा। जो कर्ज लेगा, अगर वह वापस नहीं करेगा, तो वह ईमानदार आदमी नहीं समझा जायेगा।

हां, मैं गवर्नमेंट से यह जरूर कहना चाहता हूँ कि वह पठान या साहूकार न बनें, पठान की रेंटी के मुताबिक न चने कि कर्जा एक हजार रुपया दिया और उसका सूद-दर-सूद दस हजार रुपये हो गया। सरकार मुन्कर की जरूरत को पूरा करने के लिए बाहर से अरबों खरबों रुपये लेती है। वह ठीक है, लेकिन वह बंगाल, मद्रास, पंजाब और हरियाणा जैसी गरीबी स्टेट्स का खून न चूसे।

मैं इन से अपने स्टेट के मुताबिक कहना चाहूंगा, उसी के लिए मैंने इजाजत ली थी। मेरी अपनी स्टेट पर भाखरा और नांगल प्रोजेक्ट्स का कर्जा वाजिब लगा है लेकिन मैं उसको देना चाहूंगा। मैं इनकी तरह से हजम करने वाला नहीं हूँ कि कर्जों को खा जाऊंगा और दूंगा नहीं। मैं दूंगा लेकिन जो पठान वाली रेंटी है वह हमसे न लें। वह किसान और जवान की स्टेट है हम देंगे अपना रुपया, अपने बर्तन बेच कर देंगे, अपनी जायदाद बेच कर देंगे लेकिन यह नहीं होना चाहिए कि सूद मूल से भी बढ़ जाय। इसलिए मैं आपसे कहूंगा कि इस बात का ध्यान रखें, रेट आफ इंटररेस्ट इतना ज्यादा न हो।

दूसरी बात - मेरी स्टेट में सतलज व्यास लिंक प्रोजेक्ट किसानों का प्रोजेक्ट और गुड़गांव कैनल का प्रोजेक्ट दीजिये। यह प्रोजेक्ट बनवा दीजिये। पानी होगा तो 16 हजार मुरब्बा मील भूमि है, हम

सारे देश को खिलाएंगे, चना, गेहूँ, चावल सब पैदा करेंगे। यह चावल के बिना हमारे भाई भूखों मरते रहते हैं, हम इनको इतना चावल दे देंगे कि उससे इनको दबा कर छोड़ेंगे। एक चीज और कहनी है। आपके हाथ में पैसा है। मोनी हिल्स पर हम आई०टी०आई० का प्रोजेक्ट चाहते हैं। दस हजार मजदूरों को उससे मुलाजिमत मिलेगी। आप उस पर गौर करें और एक ट्रैक्टर फॅक्ट्री हमें देने के प्रस्ताव पर भी गौर करें।

यह जो रेजोल्यूशन है, उसकी मैं मुखा-लिफ्त करना हूँ। पैसे लेते हो तो दो। जो पैसा लेकर मार जायगा उससे भगवान भी नाराज हो जायगा और दुनिया में उसकी शांति नहीं रहेगी। उसका भट्ठा बैठ जायगा। इस लिए इस प्रस्ताव की मैं मुताबिकत करता हूँ।

श्री शिव चन्द्र भा (मधुबनी) : अध्यक्ष महोदय, हम लोगों को भी टाइम मिलना चाहिए। आधे घंटे से ज्यादा समय इसमें बर्बाद हुआ। यह बिलकुल बेइंसाफी है, आप टाइम बढ़ाइयें।

MR. DEPUTY-SPEAKER : It is part of the debate, if somebody raises some point. I have already extended it by half an hour.

SHRI SURENDRANATH DWIVEDY (Kendrapara) : Half-hour discussion may be taken on some other day.

MR. DEPUTY-SPEAKER : The Minister should have at least 15 minutes and the mover should have some time to reply.

श्री शिव चन्द्र भा : उपाध्यक्ष जी, मैं इस प्रस्ताव का समर्थन करता हूँ। यह प्रस्ताव जिसमें यह कहा गया है कि राज्यों के ऊपर जो केन्द्रीय कर्जा है उसको हटाने के लिए, उसको मुलभूत के लिये उनकी सम्मति से एक रास्ता निकाला जाये, इसमें कोई शक नहीं कि यह जो परिस्थिति आई है, जो हालत पैदा हुई है कि

कुछ राज्यों को केन्द्र से कर्जा लेना पड़ा है और उसके बोझ से वे दबे जा रहे हैं उसकी खास वजह यह है कि योजनायें हिन्दुस्तान में गलत रूप से चलाई गईं। योजनाओं की गलत नीति अस्तित्व की गई जिसका नतीजा यह हुआ कि क्षेत्रीय विषमतायें बढ़ी हैं।...

SHRI S. R. DAMANI (Sholapur) : On a point of order, Sir. Private Members' business comes every week, but half-hour discussions are very rare. I request you to hold over this resolution for next week and take up the half-hour discussion.

MR. DEPUTY-SPEAKER : Private Members' business is allotted 2½ hours every week and nobody has a right to encroach upon it. We started very late today. This resolution will be concluded by 7 O'clock. Then I leave it to the House to decide about the half-hour discussion. I cannot curtail private members' time.

श्री शिव चन्द्र भ्वा : उपाध्यक्ष महोदय, मैं कह रहा था कि केन्द्र से राज्यों को जो कर्जा मिलता है, उसके सम्बन्ध जो प्रस्ताव आया है, उसकी वजह यह है कि जिस रूप में हिन्दुस्तान में पंचवर्षीय योजनायें चलाई गई हैं, उन योजनाओं के चलाने का नतीजा यह हुआ है कि कुछ क्षेत्र जो विकसित थे वे ज्यादा विकसित हो गये और जो क्षेत्र अविकसित थे, वे ज्यादा अविकसित हो गये और पीछे रह गये। इसी तरह से सारे देश में जो ग्राम-दानी का हिसाब रहा उसमें भ्रमीर ज्यादा भ्रमीर हो गये और गरीब ज्यादा गरीब हो गये। इस पिछड़ेपन को हटाने के लिए राज्य सरकारों ने कदम उठाने शुरू किये। यहां ऐसी बात नहीं है कि संविद की सरकारों के भ्राने से ही कर्जा बढ़ने की बात हुई है, यह तो पहले से ही चला आ रहा है। जब कांग्रेसी सरकारें थीं, उस समय भी यह कोशिश थी कि क्षेत्रीय विषमता को, राज्यों के पिछड़ेपन को दूर करके उनको विकसित किया जाय। यह परिस्थिति योजनाओं की वजह से आई है और उनकी पूर्ति के लिए राज्यों को केन्द्र से कर्जा लेना पड़ा है।

अब केन्द्र सूद के साथ उस कर्जे को वसूल करना चाहता है—यह तरीका अच्छा नहीं है। मेरा सुझाव है केन्द्र और राज्यों के बीच टैक्स को लेकर किस तरह से पैसे का बटवारा हो इस सम्बन्ध में पांच साल में एक फाइनेन्स कमीशन मुकर्रि किया जाता है, मैं चाहता हूँ कि उसको खत्म कर दिया जाय। संविधान की 280 धारा में संशोधन लाकर ऐसी व्यवस्था की जाय कि हर साल एक परमानेंट फाइनेन्स कमीशन मुकर्रि किया जाय ताकि जो नई परिस्थितियाँ आती हैं, उनको मद्देनजर रखते हुए वह कमीशन रिक्मण्ड करे कि केन्द्र और राज्यों के बीच किस तरह से रेवेन्यू का बटवारा हो।

18.26 hrs.

[श्री बासुदेवन नायर पीठासीन हुए]

मेरा दूसरा सुझाव यह है कि इस समय राज्यों के ऊपर जो कर्जा है, कोशिश यह होनी चाहिये कि उसको रिटन-आफ कर दिया जाय। मैं इस बात को मानता हूँ कि चाहे केन्द्र राज्यों से ले या राज्य केन्द्र से लें, किसी न किसी को बोझ तो उठाना ही पड़ेगा। इस सम्बन्ध में मैं यह कहना चाहता हूँ कि देश में दौलत है, देश में पैसे की कमी नहीं है, इसके आंकड़े आपके पास हैं। यदि केन्द्र सरकार इन्कम की सीलिंग का रास्ता अस्तित्वार कर ले, डा० लोहिया का कहना था कि 1:10 के अनुपात में इन्कम की सीलिंग होनी चाहिए, यदि आप इस सुझाव को मान लें तो एक हजार करोड़ रुपये प्रतिसाल सरकार को मिल सकते हैं। टैक्स-इवेंजुन को यदि आप मुस्तैदी के साथ रोकें तो कैलबोर के हिसाब से 200 से 300 करोड़ रुपये आपके पास आ सकते हैं। फूलखर्ची जो देश में चल रही है, यदि आप सक्ती से उसको रोकें तो पाल-बायरन, इकानामिस्ट के अनुसार 500 करोड़ रुपये प्रतिसाल आपको मिल सकते हैं। देश में होर्ट-वैल्थ टैम्पलज, माक्स और दूसरे रूप में काफी संख्या में पड़ी हुई है, यदि आप उस धन का इस्तेमाल करते हैं तो अर्थ शास्त्रियों के

[ श्री शिवचन्द्र झा ]

हिसाब से पांच हजार से 10 हजार करोड़ रुपये की दौलत आपको मिल सकती है। मैं यह नहीं कहता हूँ कि आपके पास पैसा नहीं है तो आप किसी पर मुनहसिर करें, या किसी के मोहताज बनें, मैं चाहता हूँ कि केन्द्र सरकार पैसा इकट्ठा करे और इस तरह से राज्यों पर बोझ नहीं पड़ेगा और हम देश में जो विकास करना चाहते हैं, वह भी कर सकेंगे, न उसका बोझ केन्द्र पर पड़ेगा और न राज्यों पर, मुल्क प्राये बढ़ेगा और खुशहाल होगा। आप जानते हैं कि बिहार इसी नीति की वजह से सबसे पीछे बनाया गया है।

**SHRI S. KUNDU (Balasore) :** Mr. Chairman, Sir, this is a very important problem. For the first time, after twenty years, we have come to know the real implications of the financial devolution between the Centre and the States after many non-Congress governments have come into existence in various States. The total of loans which was Rs. 44 crores has now gone up to Rs. 7000 crores.

The interest which they have to pay on this amount is enormous. And if the interest is not paid every year, a direction goes to the Reserve Bank not to pay money. In this way, the Centre is virtually able to make the State Governments inoperative, affecting the economic and financial relations between the Centre and the States. If we want harmonious relations between the Centre and the States to grow, a deep study should be made of this problem.

In this connection I would like to say that certain things appear to me apparently absurd. The Centre invest some money in States in what are called Central projects. The object of investing money in a project is to see that it gives a return. Suppose the Centre invest Rs. 100 crores on an irrigation project in a State. It will not wait for the project to give a return to recover the loan from the State. It will arbitrarily fix a date, say, ten years and ask the State Government to repay that loan after that period even though the project would not have started giving returns. The States have consistently taken the view that the repayment of the money invested by the

Centre on projects should start only when the States actually get benefit out of the money invested by the Centre. But instead, of doing that, they start recovering the money with interest from a date which is fixed arbitrarily.

Then, the interim Report of the Finance Commission does not deal with the special problems of backward States. It has not considered how to give an equitable share from the Central and State financial pool to States and areas which are backward so that their position can be improved.

Now there is a convention that five per cent of the total capital investment in railways should go to the Centre. In that way the Centre gets about Rs. 150 crores. The States get only Rs. 14 crores or 15 crores by way of passenger fares. Why should five per cent go to the Centre? Why not three per cent go to the States so that they will get a share of Rs. 40 crores or 50 crores? Some serious consideration should be given to this.

During the last twenty years of Congress rule or misrule there has been misuse of money and capricious and fruitless expenditure by launching all sorts of pet schemes and projects in many States, including Orissa. During Congress rule by Shri Patnaik crores of rupees were wasted in Orissa.

For example, take the Paradip Project, on which Rs. 15 crores were spent by the State. When the Centre took over this project, it did not pay back the State what it spent on the project. Not only that, it is charging interest from the State for the loan which it gave even though the benefits of the port go to the Centre. This is creating friction between the State and the Centre.

Article 275 refers to grants in aid by the Centre to the States. There should be block provision in the budget for drought, flood etc. and it should be given always as grant in aid and never as loan.

**MR. CHAIRMAN :** The hon. Minister.

**SHRI K. LAKKAPPA (Tumkur) :** I have to move my amendment.

**MR. CHAIRMAN :** The time for moving amendments has already passed. Your name was called at the time of moving amendments but you were absent then.

SHRI K. LAKKAPPA : Now I am present. Time for moving amendments was not fixed.

MR. CHAIRMAN : You will understand that there is a time for doing that. Other Members were here and they moved their amendments. Unfortunately, you were not here then.

SHRI NAMBIAR : He missed the bus.

MR. CHAIRMAN : I think, you may ask a question after the Minister's speech. Now, the hon. Minister.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P. C. SETHI) : Sir, the issue of Centre-State relationship *v/s-v/s* financial matters is a very crucial and important matter and there are no two opinions on the fact that the relationship should be very harmonious. It should be advantageous to both. The Centre should get the best of the benefit and, at the same time, the work of the States on the financial side should not be retarded.

There is a constitutional provision with regard to the devolution of the various incomes. According to this constitutional provision there is a division of the revenue income which accrues to the Centre on account of customs, excise and income-tax. Besides this, there are certain subjects with the States in the Schedule itself where the States are also having an arena to raise their revenues and to tap those resources.

SHRI NAMBIAR : Only sales-tax.

SHRI P. C. SETHI : There are many things. I need not enumerate them; the hon. Member, Shri Nambiar, very well knows them.

SHRI NAMBIAR : There is practically nothing.

SHRI P. C. SETHI : The items which fall under excise duty and which are divisible between the States and the Centre at one period of time were 35; now they have grown up to 68. Therefore the arena for the division of excise duty income to the Centre and of the customs duty and income-tax is being widened.

Then, every five years there is the

Finance Commission which goes into all aspects. They tour the States, take the opinion of the States' representatives and it is on their recommendation that non-developmental or revenue expenditure and other things are considered.

Besides this, there is the forum of the Planning Commission. Then there is the Chief Ministers' Conference and the Finance Ministers' Conference. The Plan expenditure is governed on the basis of the various discussions held in these various forums.

SHRI NAMBIAR : All these are there to deny the money to the states. All the discussions are there but not the money.

SHRI P. C. SETHI : I would like to tell the House that in the First Plan period the share of divisible taxes and duties was Rs. 345 crores; in the Second Plan it rose to Rs. 711 crores; in the Third Plan it rose to Rs. 1,196 crores. In 1966-67 it was Rs. 373 crores. In 1967-68 it was Rs. 416 crores, in 1968-69 it was Rs. 491 crores and in 1969-70 it will be Rs. 519 crores. Therefore the share of the division of the various incomes which I have just now enumerated has also been mounting up. It is not as if the Centre is usurping all the money. After all, a happy harmony between the Centre and the States is absolutely necessary. Nobody would grudge the Centre.....(Interruption)

SHRI E. K. NAYANAR : You keep the States backward.

SHRI P. C. SETHI : The Central Government is responsible for the defence of the country. Nobody is interested in keeping the States backward because the State is a part of the country and if a State remains backward then we are all backward.....(Interruption)

SHRI E. K. NAYANAR : You are always keeping them backward.

SHRI P. C. SETHI : 90 per cent of the people are educated in Kerala.

SHRI E. K. NAYANAR : Where is the precision tools factory? Where is the phytochemicals factory? You are always keeping us backward.

SHRI P. C. SETHI : Not in the least.

SHRI SEZHIYAN : The Minister has said that 90 per cent of the people in Kerala are educated. Is it a crime? Does he want to punish them on that score?

SHRI P. C. SETHI : What I mean to say is it is not a backward State. It is a most forward State. We are all proud of it. *(Interruptions)*

MR. CHAIRMAN ; Order, order. If there is any clarification to be sought, a question can be asked.

SHRI P. C. SETHI : Therefore, as far as the division of the income is concerned, it is based on the recommendations of the Finance Commission which is a semi-judicial body. It would be wrong to say that the Central Government alone has been formulating certain policies and dividing income according to their whims and have been giving priority to certain States and have been treating other States on a differential basis. There has been appointment of commissions from time to time and it is on the basis of the recommendations of these commissions that various Plan aids and other things have gone to the States. Apart from the division on the incomes and the assistance which is given for the Plan, there are other things for which assistance is given. For example, if there is any natural calamity, the relief is provided in the form of a grant. Similarly, the relief is provided for the rehabilitation of displaced persons, police housing to tide over the ways and means difficulties, etc. All these things are there. Therefore, not only there is the division of various duties, there is the Plan assistance in the form of a grant and also in the form of a loan.

So far as the Plan assistance is concerned, the Plan assistance has been varying in percentage as far as aid is concerned or as far as grant or loan is concerned. But it is now being considered that we should evolve a certain formula and it has been considered that as far as Plan assistance is concerned, 30 per cent should be aid and about 70 per cent should be loan. So, all these things are still under consideration. The Finance Commission and the Planning Commission are going into it and the various Chief Ministers' conference and other

conferences which are held will, certainly, take into consideration the difficulties of the State Governments also.

One will have to realise that as far as expenditure is concerned, the expenditure is both Plan expenditure, developmental expenditure, and non-Plan expenditure. We cannot take a posture that we would go on saying that the Centre has not been treating us fairly well and, at the same time, we would go on spending more on non-developmental expenditure or anything of that type. Therefore, a certain sort of financial drill will have to be maintained and the States, I think, will surely cooperate with the Centre in this matter so that we can have a better harmony of the developmental and non-developmental expenditure. Nobody would grudge that certain responsibilities of the Centre are there. For example, we were not very happy to increase our defence expenditure. But if the defence expenditure of the Centre has gone up, nobody would say that it was not necessary. Similarly, there are other expenditures which are absolutely necessary both for the States and the Centre. What I would like to ask is this that wherever developmental expenditure has been incurred, as has been made out during the Budget debate that we have spent or we have invested so much money in the public sector projects, naturally, the public expects from the Government that this investment should give us a fair return. Similarly, wherever we have invested money either in the irrigation projects or in the other developmental projects, in the States, we do expect from the State Governments that they would utilise this money in such a manner that this would also start giving them revenues. That would also augment their income. That is also to be considered. The traffic has to be bothways. We cannot expect only one part of the Government to function effectively and the other part or the other limb of the Government not to function very effectively. This point has also to be considered wherever loan has been advanced for these purposes.

There has been a demand that there should be a permanent council or a permanent Finance Commission for this purpose. At the moment, the finance Commission goes into the problems and, as far as the revenue expenditure is

concerned, they take into account the variations which are likely during the next three or four years. The Finance Commission takes considerable time in going through all these problems. Therefore, at present, it is not being considered necessary to appoint a permanent Finance Commission.

**SHRI NAMBIAR :** Why ?

**SHRI P. C. SETHI :** Because the present Finance Commission, as it is constituted, takes into account the likely variations, and adjustments can be made on that basis. But certainly I am not going to argue very much on this. This is a point which could be examined from time to time and this can be later on looked into.

I have already indicated how the assistance to the States has been mounting up from time to time. At the moment, the total loan outstanding against the States is about Rs. 5191 crores. As far as Central Government is concerned, the total loan which is outstanding is about Rs. 16,000 crores. If we take into account this suggestion that there should be amortisation or that a sinking fund should be provided to write off these, then I would say that the financial position of the Central Government will be completely weakened. We have not taken the posture that, whatever loans we have taken from the public or whatever loans we have taken from elsewhere, we are not going to repay. The Central Government is committed to repay the loan as well as the interest. Therefore, whatever assistance has gone in the form of loan or in the form of aid to the States, certainly we do expect that with the rate of interest which varies according to the terms and conditions under which the loan has been given. Therefore, the proposition that a sinking fund should be provided to write off the loans is difficult to accept.....

**SHRI NAMBIAR :** How can the States pay ? The States must have the capacity to pay.

**SHRI P. C. SETHI :** If you cannot pay, we cannot pay. After all, the country is one. If the Central Government cannot pay and if you also cannot pay, what will be the fate of the country ? It is for you to realise that. Therefore, let us think in more constructive terms. We can certainly take into

account the difficulties of the State Governments. That is what the Finance Commission is going to do.

**SHRI SURENDRANATH DWIVEDY :** Don't charge interest.

**SHRI P. C. SETHI :** We are certainly trying to find out ways and means to have a consolidation, a rationalisation, and the Finance Commission itself is going into all these problems. I am sure they would come out with a report, and it is only after their report comes that we can take a fairly good view about the whole thing.

Therefore, I would request Mr. Esthose not to press his Resolution. It is receiving all the sympathetic consideration from our side. It is receiving all possible consideration from the side of the Finance Commission, and when the report of the Finance Commission comes, I am sure, it will receive its due consideration not only at the government level, but it will also be discussed in the House, and that time would be the appropriate time when this thing could be taken up again. I would, therefore, request Mr. Esthose to withdraw his Resolution. It has certainly drawn the attention of the House, of the Government and of the whole country. In case Mr. Esthose does not propose to withdraw his Resolution, then I would request the House not to accept it.

**MR. CHAIRMAN :** Mr. Lakkappa. He may put just one simple and direct question.

**SHRI K. LAKKAPPA :** I was busy in some other meeting. I had sent an amendment to the Resolution moved by my hon. friend, Mr. Esthose, regarding amortisation of debts. My amendment was to appoint a Commission.....

**MR. CHAIRMAN :** He may please ask his question.

**SHRI K. LAKKAPPA :** My intention in framing that amendment was to have a rational approach so far as amortisation of debts of States was concerned. In view of the serious situation arising out of the regional imbalances, suggestions have been made by several Chief Ministers of non-Congress States ; invoking article 263 of the Constitution, to have a permanent Council to go into the matter in detail with respect

[Shri K. Lakkappa]

to the debts of the States to the Centre, because there are a number of investments which have been made from the loan taken by the States; they have even become idle investments, but interest on them has accrued heavily.

In such a situation, the States will face a financial crisis. Will Government be prudent enough to constitute forthwith such a permanent Commission under the Constitution to go into the matter?

SHRI P. C. SETHI: As far as the appointment of a permanent Commission is concerned, I have already said that at the moment, it is not under active consideration. Let us receive the Report of the Finance Commission. It will be only after that that we can give more thoughtful consideration to this matter. Perhaps the House will also be in a better position then to think about it.

As far as the question of divergent views expressed in the NDC, the views expressed there were certainly divergent, but the Planning Commission and others have evolved a formula for this, and we are trying to work on that.

SHRI P. P. ESTHOSE: I have listened patiently to the reply of the hon. Minister of State. Unfortunately, I am not satisfied with his reply.

The hon. Members from Orissa, Tamil Nadu, Bengal and even the Congress Member from Andhra and many others who spoke have placed added emphasis on the demands made in my speech. Even members from Congress Benches have urged the need for a reconsideration of the present position so as to give more finances to the States.

The hon. Member from Rajasthan gave a very vivid picture of the backward character of Rajasthan. Similarly, we could hear from every State the cry for more finance for development. This is not a competition with the Centre but is a cry for development. If the Centre refuses to accede to this and does not take it in the spirit in which it is intended, in effect it will be acting as a brake on growth and development of the people.

Due to the inflationary policy followed by the Central Government, the State Govern-

ments are made to suffer by way of increased expenditure on DA to their staff. Also with enhanced spending in other activities, nothing is left in the States for development, on activities such as irrigation, industry, electrification, roads and other most essential things.

There is no use offering lip-sympathy, as was done by the hon. Minister. There is no use saying that there is no finance available with the Centre. Unless the fiscal policy of the Central Government is changed, you will see the same helpless position continuing till it reaches the breaking point, when it is bound to go out of control.

It is better for the Central Government to revise their policy in this regard. Their throwing the burden on the Finance Commission will not save the situation. They may allot a little more to the States. But that will not be as much as the States want. This kind of answers will not satisfy the people of the States, even of the Congress States. Leave alone the non-Congress States. Even States governed by the Congress Party are demanding more and more finance.

The Centre should not appropriate all the activities to itself, but should leave some of them to the States. Except in the matter of defence, communications, external affairs and trade, all other items should be handed over to the States, namely, education, agriculture, police, health etc. Finance should also be given to them in full. This will reduce the burden of the Centre and can help the Centre and the States to have healthy relations and alleviate the sufferings of the people. Therefore, I hope that this Resolution will be accepted by the House.

MR. CHAIRMAN: There are some amendments by Shri Nayanar, Shri Chakrapani and Shri Lobo Prabhu.

SHRI E. K. NAYANAR: I am not pressing my amendment.

MR. CHAIRMAN: Has he the leave of the House to withdraw his amendment?

*Amendment No. 1 was, by leave, withdrawn.*

MR. CHAIRMAN: I shall now put



the other two amendments to the vote of the House.

*Amendments Nos. 1 and 5 were put and negatived.*

MR. CHAIRMAN : The question is :

"In view of the serious financial crisis facing all the States and the fact that enormous debt charges of the States eat into their capacity to launch development schemes, this House calls upon the Government to immediately work out a scheme of amortisation of debts in consultation with the States and to implement it."

*The Resolution was negatived*

18.59 hrs.

RESOLUTION RE : STATUS OF  
HIMACHAL PRADESH

SHRI VIKRAM CHAND MAHAJAN  
(Chamba) : I move :

"That this House is of opinion that the Union Territory of Himachal Pradesh be raised to the status of a State."

This Resolution reflects the hope and aspirations of millions of people of the border territory of Himachal Pradesh.

MR. CHAIRMAN : The hon. Member may continue his speech next time. Does the House wish to take up half-an-hour discussion ?

SOME HON. MEMBERS : No.

MR. CHAIRMAN : The House stands adjourned till 11 A. M. on Monday.

19 hrs.

*The Lok Sabha then adjourned till Eleven of the Clock on Monday, March 17, 1969/ Phalgun 26, 1890 (Saka).*