

context of resource mobilisation for the Sixth Plan; and

(b) if so, the time by which the final decision is likely to be taken?

**THE PRIME MINISTER (SHRI MORARJI DESAI):** (a) and (b). Existing subsidies and subventions of all kinds are currently being reviewed by sectoral Working Groups for the next five-year Plan. The implications of continuing, reducing or abolishing the subsidies would then be considered by the Planning Commission in consultation with the Ministry of Finance, in the course of estimation of resources for the 1978-83 Plan. The results of the review and examination would be indicated in the Draft Plan for the period 1978-83.

**SHRI PRASANNBHAI MEHTA:** I would like to know from the hon. Prime Minister if it is a fact that the Planning Commission is having a hard look at the Government subsidy policy on two countries:

- (i) in the context of resources mobilisation;
- (ii) that the subsidy element has proved not much beneficial to the general economy. If so, when will the final decision be taken in regard to subsidy to fertilizers, electricity, irrigation, food and exports?

**SHRI MORARJI DESAI:** I cannot say immediately what will be done. We are reviewing the whole question of subsidies.

**SHRI PRASANNBHAI MEHTA:** I would like to know from the hon. Prime Minister whether the Commission had tentatively fixed the size of the Sixth Plan? Is it a bigger Plan? If so, to what extent?

**SHRI MORARJI DESAI:** We do not start with fixing the size of the Plan and then go into the Plan. We start with having mobilisation of re-

sources, necessity and then fix the Plan. That time has not yet come.

**डा० रामजी सिंह :** सबसिडी समाप्त करने की जो भावना है, क्या वह पिछड़े इलाकों पर भी लागू होगी, और जिन उद्योगों को सबसिडी की आवश्यकता पड़ती है, क्या उन की भी सबसिडी समाप्त करने की योजना सरकार के विचाराधीन है ?

**श्री मोरारजी देसाई :** अगर सबसिडी को समाप्त करना है, तो जहाँ वह जरूरी है, वहाँ उसे समाप्त नहीं किया जायेगा, चाहे वह क्षेत्र पिछड़ा हुआ हो या नहीं। अगर सबसिडी देना जरूरी होगा, तो वह दी जायेगी और अगर जरूरी नहीं होगा, तो वह नहीं दी जायेगी।

**SHRI SAUGATA ROY:** In view of the fact that commercial irrigation in this country is suffering a loss of Rs. 250 crores every year and the State Electricity Boards total loss is amounting to Rs. 130 crores every year and that all the benefits in the rural areas of developmental planning is going to the Kulaks and the rural rich, does the Prime Minister consider it immediately necessary to withdraw subsidy especially in fields of commercial irrigation and power to rural areas.

**SHRI MORARJI DESAI:** It will be considered on merits.

**Proposal to reorganise existing states**

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\*130. **SHRI CHITTA BASU:**  
**SHRI NIRMAL CHANDRA**  
**JAIN:**

Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether Government have under consideration any proposal to reorganise some of the existing States into smaller units for greater administrative efficiency and for removal of regional imbalances; and

(b) if so, whether Government propose to appoint another States Reorganisation Commission?

**THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI DHANIK LAL MANDAL):**  
(a) Government are not formally seized of any proposal for the reorganisation of the States.

(b) Does not arise.

**SHRI CHITTA BASU:** From the reply it appears that Government is not formally seized of the proposal of reorganisation of States. May I know from the Minister whether in view of the fact that several announcements are being issued by prominent personalities, including Members of Parliament, Members of State Legislatures, Members of Council of Ministers, including Prime Minister, and lastly, the opinion expressed by Loknayak Jayaprakash Narayan, (An hon. Member: Acharya Kripalani)—you can enlarge the names of big persons—in view of all these things, does the Government consider it desirable to reconsider the whole issue and formally be seized of the matter instead of becoming informal about it? They are making so many pronouncements in an informal way. May I know whether Government would have a formal review of the whole problem which has been brought to the focus by eminent personalities of the country?

**SHRI DHANIK LAL MANDAL:** The Prime Minister and also the Home Minister have made observations on this matter. On the 19th of November the Prime Minister observed near Ranchi and on the 20th of November the Home Minister observed at Hyderabad that there is no such proposal.

**SHRI CHITTA BASU:** In view of the fact that on earlier occasions the reorganisation of States was being done on linguistic principles and

now a new concept is being brought in (that is, efficiency of administration, based on smaller size of States), may I know whether the Government would again reconsider the proposal and announce their policy? At present, these persons are making contradictory statements, one against the other.

**SHRI DHANIK LAL MANDAL:** Government does not think that by itself a smaller State would be more efficient.

**श्री निर्मल चन्द्र जैन :** माननीय मंत्री महोदय ने बताया कि उनके समझ ऐसा कोई प्रस्ताव नहीं है। क्या प्रशासनिक क्षमता बढ़ाने की दृष्टि से यह अनुभव नहीं किया जा रहा है और विभिन्न राज्यों और वहाँ के राजनीतिक दलों की तरफ से यह मांग नहीं आ रही है कि बड़े प्रदेशों को छोटा किया जाए जिससे वहाँ प्रशासनिक कुशलता बढ़े ?

**श्री बलिक लाल मण्डल :** महोदय मैंने बताया है कि राज्य छोटा होने से राज्य में प्रशासनिक कुशलता बढ़ जाएगी, ऐसा सरकार नहीं मानती है। किसी राज्य को छोटा कर दिया जाए और इससे वहाँ प्रशासनिक कुशलता बढ़ जाएगी, ऐसा सरकार नहीं मानती है।

## WRITTEN ANSWERS TO QUESTIONS

### Centre-State Relations

\*123. **SHRI M. N. GOVINDAN NAIR:**

**SHRI K. MAYATHEVAR:**

Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether there is a demand from certain quarters for reviewing the Centre-State relations; and

(b) if so, the details and Government's reaction thereto?