

cases after such further discussions with the State Governments as were necessary, that would merely have resulted in some other States being in a similar position.

4. When all the resources of the country including those of the Union and the State Governments are being mobilised both for efficient administration and planned development, we do not feel justified either in providing large sums for contingent liabilities of the States or in making large financial provisions without adequate scrutiny for measures presented at the fag end of our work.

5. We are, therefore, unable to agree with the recommendations made by Shri Mohan Lal Gautam.

New Delhi;
August 12, 1965.

P. V. RAJAMANNAR.
D. G. KARVE.
BHABATOSH DATTA
P. C. MATHEW.

OBSERVATIONS ON THE MINUTE OF DISSENT

The Minute of dissent by Shri Mohan Lal Gautam relates to the following points:—

- (i) Omission to include in the expenditure estimates, liability consequent on revision of dearness allowance and pay scales effected by the State Governments of Andhra Pradesh (on 1st July 1965), Mysore (on 22nd July 1965) and Uttar Pradesh (on 27th and 29th July 1965).
- (ii) Omission to include in the expenditure estimates of the States, liabilities which may accrue during the course of the next five years, though no decisions have been taken by the States. For example (1) Sinking fund for market loans (2) Provision for revision of dearness allowance and pay scales (3) Police re-organisation (4) Panchayat Raj Administration and (5) Administrative re-organisation.
- (iii) Distribution of the balance of the proceeds of additional excise duties in excess of the guaranteed amounts.

2. These points have been dealt with by us in appropriate paragraphs in the report, namely, para 129 for (i), paras 114, 128, 130 and 142 for (ii) and para 71 for (iii).

3. As has been explained in the relevant paragraphs, we have taken the view that each major item of contingent expenditure should be taken up with the Government of India as it arises and the Government of India should deal with it along lines of similar items specifically included in the Commission's award. We refused to act in a hurry over accepting financial implications of large policy measures arrived at by States themselves in a hurry and we contented ourselves with recommending that while a particular item of expenditure is in our opinion eligible for inclusion in the estimates of State expenditure, the accuracy of the financial provision asked for must be tested by more careful scrutiny than the Commission could give it. The number of States coming forward with fresh schemes appeared to be almost unending. We felt that it would be difficult to make a fair and reasonable assessment taking all the relevant factors into account within the few days available to us after the receipt of these additional claims. Indeed even if our tenure had been extended and we had decided these particular