Preface

Constitution of India is a great heritage, its provisions are flexible and susceptible of a given situation. It provides an ample scope for co-operation and co-ordination. All in all, in the flexibility of our Constitution lies its great merit and strength. Indian Constitution can claim the distinction of having made elaborate provisions for ensuring both adequacy and independence to the States in the sphere of finance. However, an emerging society has new hopes and aspirations and thus the goals set by the framers in the Constitution may look stale in future. It is axiomatic that financial relations between the general and regional governments in a Federation provide the key to the actual equation between the two layers of government, but of late, a spate of controversies had started and these relations are being discussed in a detached and dispassionate atmosphere.

Our Constitution from the functional stand point is not a static format but a dynamic process. It is within this process that the inter-play of centrifugal and centripetal forces influenced by a changing social, economic and political environment constantly strives to find a new adjustment of the balance between unity and diversity.

The very dynamism of the system brings to its wake the problems and conflicts in the working of 'Union State
Fiscal Relations'. Conflicts and controversies generated by such problems may stifle the working of the system and jeopardise the unity and integrity of India. It is in this background that it becomes necessary to review the financial relations from time to time in the light of past experiences, not only for the purpose of identifying persistent problems and seeking their solutions but also to attune the system to the changing times so that propelled by a spirit of common endeavour and co-operative efforts, it takes the country ever forward towards the social welfare goals set out in the Constitution.

I deem it my pious duty to put on record deep sense of gratitude and thankfulness to my guide Professor J.P. Gupta under whose fostered care, inspiring guidance and scholarly supervision, I ventured to work on this topic. But to his able guidance and affectionate inspiration this work would not have been completed on schedule.

I owe great debt to Dr. I.P. Massey, Chairman, Department of Laws, for his kind interest he has evinced in my work and constructive suggestions at every stage of my work which greatly helped me in planning and completing it on schedule.

I wish to express my gratitude to Dr. Chandra Pal, Reader, Kurukshetra University, Kurukshetra. I have drawn heavily upon his valuable time in frequent and detailed discussions on various problems concerning to the present work.
I am equally thankful to my colleague Dr. B. R. Sharma, for giving me constructive suggestions at all stages of my work which greatly helped me in improving the present work.

I am thankful to Dr. C. L. Anand, for giving me valuable suggestions which helped me in improving the work.

I am also thankful to Shri O. P. Chauhan my colleague, Mr. K. P. Singh, Research Scholar Kurukshetra University, Kurukshetra and Mr. Mohan Tyagi Research Scholar Indian Law Institute, New Delhi, in whose company I always found encouragement to carry on with the research.

My thanks are also due to all my colleagues in whom I always found an embodiment of encouragement and knowledge.

Affection extended by my father has been a perennial source of my advance study, I am greatly indebted to him.

My thanks are also due to my wife 'Krishna' for her patience and forbearance.

Let me express my thanks to the library staff of the Indian Law Institute, New Delhi, Planning Commission, New Delhi, Finance Commission, New Delhi, Documentation Centre, Central Secretariat Library, New Delhi, Sapru House Library, New Delhi and Library of Department of Laws, H. P. University
Shimla for providing me necessary help.

Last but not least my thanks are also due to my cousin Shri H.S. Tanwar and his family whose hospitality and care during my stay at Delhi made me so comfortable that I never felt desolation and homesickness.

SHIMLA

April 10, 1989

(A.C. Pal)