An attempt has been made in this thesis to explore the nature of the federal structure we find in India today. Certain departures have been made from the original form which was envisaged by the Founding Fathers. I have tried to point out how deviations have led to structural anachronisms in the country's governance.

Financial relations between the Centre and the States are one of the areas where the discrepancies have been felt most acutely. Different States have different problems with the Centre. No effort has been made to view the issue as one in which the differences between all the States on the one hand and the Centre on the other are taken into account. West Bengal's case has been taken as an illustration to establish that far-reaching changes are required to enable the Governmental apparatus at the State level to function meaningfully.

Unfortunately, the problem was not given the importance it deserved as long as the party which ruled the Centre also dominated the Governments of the States.

Research on the topic is necessary because without proper appreciation of the difficulties which arise in State administration, the Centre may be confronted with grave dangers.
The most eloquent expression to the basic problem was given by the President of India. He said in an interview, a few months ago that "India is a big country and trying to centralize everything from Delhi is not possible for long. It can only lead to a break-up. The federal structure must become a little more flexible..."

He held the erosion of the federal structure and spirit as the real cause for discordant Centre-State relations. He pointed out significantly: "It is our good fortune that we are one nation. India was never one, as history shows, till the British came". There was a certain amount of harmony while one party dominated the Centre and the States for thirty years, but with the emergence of different parties at the State level the political scenario has undergone vast changes. ("Everywhere — in Kashmir, Tripura, Bengal or Tamil Nadu — there is less willing cooperation today"). Mr. Reddy's response to the developments was: "We must change our approach to problems, establish closer contacts. These are the things we have to do — otherwise in the coming 10 to 20 years we may not be here. Danger is bound to shape up...". There should be talks with 'non-conformist' leaders, Mr. Reddy suggested. "They can all sit together and talk. That is what they want and do not think

there is any danger in it, we won't allow the breaking up of India".

With remarkable wisdom Mr. Reddy foresaw a greater emphasis on regional issues. But eventually, he thought the move would be in the right direction. "There are bound to be problems, problems peculiar to each State. To the extent that all regional problems take precedence, the effectiveness of major all-India political parties may be weakened. Later on, after about 10 years, there may be a realignment".

The thesis begins with a discussion on the origin of the federal idea in India, passes on to an analysis of the present structure and suggests that federalism stands eroded both structurally and functionally; that the division of powers is no longer coordinate as originally envisaged. Montague's statement revealed the process of British India's evolution.

An attempt has been made to size up the thinking of those who would go to the extreme and argue for outright succession. The 'break-up' Mr. Reddy feared may be hastened by the suppression of such people. The federal model itself has also been taken to task. The political developments leading to the rejection of the Cabinet mission Plan — by all accounts a truer federal framework — have been critically discussed.
The latest effort to rationalise the federal structure is represented in West Bengal's memorandum on Centre-State relations. An analysis of its relevant provisions throws some light on the manner in which various factors have contributed to transforming the Constitution into a unitary rather than a cooperative federation.

The country's financial history offers a close parallel to the style of its constitutional growth. The recommendations of the Finance Commissions have come down as the latest in the chain of politico—economic measures which most of the constituents of the Union — the States — have not found satisfactory.

In this context the special problems of one state — West Bengal — emphasize the need for returning to the true federal spirit.

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