

REPORT OF LORD MESTON'S COMMITTEE.

180. **Babu K. C. Neogy** : Will Government be pleased to lay on the table all correspondence that has passed between them and the different Local Governments and the Secretary of State on the question of financial relations, since the submission of the report of Lord Meston's Committee?

The Honourable Mr. W. M. Hailey : The correspondence with the Provincial Governments and the Secretary of State has been printed and presented to Parliament. It is a bulky compilation of 92 foolscap pages in small print, and it is not therefore proposed to lay it on the table, but a copy will be supplied to the Honourable Member.

Mr. Jamnadas Dwarkadas : May I ask a supplementary question, Sir? Will Government be pleased to inform the Assembly whether or not it is a fact that the Secretary of State is reconsidering the award made by the Meston Committee?

The Honourable Mr. W. M. Hailey : Not to the knowledge of Government, Sir.

ALLOCATION OF BALANCES IN PROVINCES.

181. **Babu K. C. Neogy** : Will Government be pleased to make a statement showing—

- (a) the balances which have been allocated to the different provinces under the financial arrangements proposed by the Rules under the Government of India Act, showing in each case as to how much of the same is earmarked for definite objects and how much is 'free' ;
- (b) the gross share in the income-tax revenue made available to the different provincial Governments in the year 1921-22 under the said financial arrangements, as also the pie rate adopted in the calculation of the said share in each case ;
- (c) the assignment to be made to the Governor General in Council by the respective provincial Governments in consideration of the allocation of the said share in the income-tax to the latter, as also the share of the cost of special income-tax establishments to be borne by each Local Government in 1921-22 ?

The Honourable Mr. W. M. Hailey : (a) No allocation of balances has been made in the financial arrangements referred to. The balances are left untouched at the free disposal of each Local Government. As stated in paragraph 32 of the Report of the Financial Relations Committee and in paragraph 208 of the Montagu-Chelmsford Report, there will be no more earmarking of any portion of provincial balances and portions previously earmarked will be available for general purposes.

(b) and (c). As stated in rule 15 of the Devolution Rules, the pie rate adopted in the calculation of the share of a province in income-tax is the same in each case, *viz.*, 3 pies. The actual assignment to be made to the Governor General in Council by each Provincial Government cannot be definitely settled, until the assessments and collections for the current year are