

ment Ministry? The Lok Sabha sends two representatives on the Advisory Committee of the DDA. I happen to be one of the Members. But no meeting has been convened of this Advisory Committee by the DDA so far. I understand that the Advisory Committee meeting never takes place. Perhaps Mr. Madan Lal Khurana would enlighten us about it. I would like to know when was this letter sent and by whom and when it was received and how long the Government expects the DDA to reply? Will there be a reply or not?

SHRI M. ARUNACHALAM: There are two letters: one from 11 hon. Members of this House addressed to the Prime Minister and another letter addressed directly to the Commissioner of Vigilance. We had received information day before yesterday only. *(Interruptions)*

SHRI HARI KISHORE SINGH: From whom? When was this letter sent? *(Interruptions)*

SHRI M. ARUNACHALAM: A letter signed by 11 Members of Parliament addressed to the Prime Minister was received by the Ministry only day before yesterday. *(Interruptions)*

SHRI HARI. KISHORE SINGH: No, no; it is wrong *(Interruptions)*

SHRI M. ARUNACHALAM: We have referred it to the DDA for its comments.

[Translation]

SHRI. CHANDULAL CHANDRAKAR: Mr. Speaker, Sir, it has been said in the reply to the question that the allegations are being examined by D.D.A.. Couldn't there have been any other means for it because it is sent to the same organisation against whom enquiry is to be made. It means that it is to be investigated by someone, who himself is guilty. If it would have been sent for enquiry by some other agency then it would have been a healthy precedent. Therefore, I would like to know from the honourable Minister

whether the Government propose to get it enquired through some other agency.

SHRI. M. ARUNACHALAM: The DDA has its own Vigilance Wing headed by an IAS Officer. We are awaiting for its comments; after we get the comments, we will refer them to the appropriate authority.

Allocation to States

*2. **SHRI. VIJAY NAVAL PATIL:** Will the Minister of PLANNING AND PROGRAMME IMPLEMENTATION be pleased to state:

(a) whether some States have expressed their fear about reduced allocations from the total divisible pool of Central resources;

(b) if so, whether it is due to modification of the Gadgil Formula of 1980, and

(c) the remedial steps proposed to be taken by the Government?

THE MINISTER OF STATE OF THE MINISTRY OF PLANNING AND PROGRAMME IMPLEMENTATION (SHRI. H.R. BHARDWAJ): (a) to (c). A Statement is laid on the Table of the House.

STATEMENT

(a) and (c): The allocation of Central resources for States Plan during Seventh Plan was made according the criteria laid down in the modified Gadgil formula approved by the National Development Council in August, 1980. In the context of Eighth Plan, 1990-95. revisions in the modified Gadgil formula were made by the NDC in October, 1990 and the formula was called as 'consensus' formula. Keeping in view the concerns shown by several States with regard to NDC 'Consensus' formula, the Planning Commission has set up a Committee under the Chairmanship of the Deputy Chairman, with the Union Finance Minister and a Member of the Planning commission as Members, to examine the circumstances

which necessitated revision of modified Gadgil formula by the NDC in October, 1990, concerns shown by several States on the revisions (consensus formula) and to suggest a formula most appropriate for allocation of Central assistance during Eighth Plan, 1992-97. Revision of the above formula keeping in view the suggestions of the

Committee, will be considered by the NDC of which Chief Ministers are members. After the total divisible pool is finalised, the allocations as per the revisions/formula approved by NDC will be made for States' Eighth Plan, 1992-97. A copy of the constitution of the above committee is attached as Annexure.

Annexure

No. 17/3/91-FR
Government of India
Planning Commission
(Financial Resources Division)

Yojana Bhavan,
Sansad Marg,
New Delhi - 110001.

Dated the 24th September, 1991.

ORDER

Subject: Constitution of a Committee regarding the allocation of Central Assistance for State Plans

It has been decided to set up a Committee to examine the various formulae that have been suggested for allocation of Central Assistance and to recommend for the consideration of the National Development Council the most appropriate one for the allocation of Central Assistance for State Plans during the Eighth Plan, 1992-97.

2. The Composition of the Committee will be as follows:

1. Shri. Pranab Mukherjee
Chairman
Deputy Chairman,
Planning Commission.
2. Dr. Manmohan Singh
Member
Minister of Finance.
3. Dr. C. Rangarajan
Member
Member,
Planning Commission.

3. The terms of reference of the Committee are:

- (1) to examine the circumstances in which certain changes were considered necessary in relation to the Gadgil (Modified) Formula and an alternative was considered by the National Development Council in its meeting held in October, 1990;
- (2) to go into the concerns expressed by the Chief Ministers of States regarding the Gadgil (Modified) Formula and the 'consensus' formula; and
- (3) to suggest a formula which is the most appropriate for allocation of Central Assistance for State Plans

during the Eighth Plan, 1992-97.

4. The committee will submit its report within a month from its constitution.
5. The Financial Resources Division of the Planning commission will function as the Secretariat to the Committee.

Sd/
(I.S. AHLUWALIA)
Director (Administration)

SHRI. VJAY NAVAL PATIL: The Report of this Committee was to be made available within a month. I would like to know from the hon. Minister whether the report of this Committee has come or whether the committee is still considering its various aspects and the Report is not finalised. I would also like to know whether MPs will be given special opportunities to express their views before this Committee.

SHRI. H.R. BHARDWAJ: In pursuance of requests from the various States, the Mukherjee committee went into the question of removing grievances from the various States. And so far as my information goes, the job of the committee is almost over; and we are preparing for the next meeting of the National Development Council. If the hon. Members want to discuss any aspect of the terms of reference of this Committee, they are most welcome. I will request the hon. Members that whenever they want to discuss it, they can either discuss it they can either discuss it with the Deputy Chairman or any Member of the Planning Commission.

SHRI. VJAY NAVAL PATIL: On the one hand, we give grants to the States; on the other hand, we ask the help of the States. for example, in the case of Konkan Railway and Thanebelapur Railway, indirectly some contribution is asked for from the States by way of grants or contribution. Is this also included in the terms of reference before the committee?

SHRI. H.R. BHARDWAJ: There is no specific project in the terms of reference and if the hon. Member wants to know what the terms of reference are, I may refer him to the terms of reference attached to the reply. But there is no specific project as such.

SHRI. RAM KAPSE: The Committee has not yet submitted its report and on Page 2 of the reply, the Minister has said:

"Revision of the above formula keeping in view the suggestions of the committee will be considered by the NDC of which the Chief Ministers are Members. After the total divisible pool is finalised the allocation as per the revisions/formula approved by the NDC will be made for the States' Plan 1992-97".

1st January, 1992 is very near. When do you expect the Committee to submit its report and when do you expect to go through all these formalities so that it will be convenient for the Annual Plan of 1992 to be started?

SHRI. H.R. BHARDWAJ: I submit that the Committee has almost completed its work and the NDC is perhaps going to meet some time in December 1991 and I do not think that there is any delay, because we have to see that there was no Plan for the last two years. This Government came in June 1991 and within this time we have covered a lot of distance left by the earlier Governments. So I think that there is no delay and as I submitted, the NDC is the most appropriate forum where the decisions are taken. And we want to accommodate all the honourable Chief Ministers because I have pending with me several suggestion from the States on the so-called Consensus Formula. You will appreciate that the Consensus Formula has still not been accepted by the States and they have made certain suggestions in 1990. Those suggestion are pending and the committee has gone into them and they have made some attempt to improve upon it and satisfy most of the States. So I think when the NDC meets every issue will be discussed. The hon. Prime Minister is the chairman and the Chief Min-

isters will be there and the whole gamut of the problems faced by the States will be discussed there.

SHRI. K.P. SINGH DEO: In view of the Minister's reply that the NDC is the appropriate forum I would like to say that the Chief Ministers who have been Members of the NDC, particularly in 1990, those who were a party to the decision known as the Consensus Formula as enumerated by the States have been crying for economic independence from the Union Government, particularly the State of Orissa, which has got no say in both the Modified Godgil Formula and the Consensus Formula. I would like to know whether this Committee has gone into this aspect because of the disappointment among the States and as the State of Orissa wants economic independence from the Union Government. Therefore, the Consensus Formula has not been fair to the backward States as also the Modified Gadgil Formula. What is the Government of India's stand on this?

SHRI H.R. BHARDWAJ: I do not understand the meaning of economic independence. I understand one thing. The financial cake which the country possesses should be distributed equitably among the States on certain principles which guide the whole nation and Orissa is given its due share and if the hon. Member wants- I have the suggestions received from Orissa-I am confident that those suggestions will be given due consideration. But every State, including Orissa, right from Andhra Pradesh, Maharashtra and Rajasthan, every State has problems but the financial cake is limited and the question is how far you can distribute it equitably. That is the consensus needed.

SHRI. SOMNATH CHATTERJEE: The Minister has himself admitted that it was a so-called Consensus Formula'. He has used that language himself. Therefore a formula or a decision taken by the Government was imposed on the States without their acceptance, without their agreement and which resulted in serious financial difficulties being faced by most of the States and I am sure

that most of the States have objected to the adoption of the so-called Consensus Formula. What is the Committee going to do? How are the arbitrary reductions that have been made going to be restored? How is it going to be restored? Every State is feeling the crunch. A Committee has been set up and that has already exceeded its time limit. It should have submitted its report by November. It is not going to be done. The N.D.C. is going to meet in the last week of December. From the first of January, the Plan is going to commence. Is there any time for the states even to consider it? When will you give an opportunity to the Members of Parliament to make their suggestions? I want to know as to why no arrangement is being made to look into the grievances of the states and make allocations to them till the matter is finally decided. I want to know as to how the Government is going to help the States. Every State is in difficulty.

SHRI. H.R. BHARDWAJ: Sir, with regard to the consensus formula, I would like to draw the attention of the hon. Members to the fact that immediately after the meeting of the N.D.C. the States protested and said: "This is not a very good arrangement". And the then Prime Minister, Shri. V.P. Singh said: "We will have one more round with every State and if any state is facing any problem, we will take cognisance of it". Then, suggestions were received in the Planning Commission and they were listed and each State's problem has now been taken up by the committee. You must give credit to the Planning commission that within a short period, they have listed out those suggestions and analysed them. And in the N.D.C. Meeting, those will again be discussed with the honourable Chief Ministers. When you formulate a Plan, the Chief Ministers is the proper person to be consulted with because it is their Plan...*(Interruptions)*. We are in touch with them. You may kindly recollect what the Deputy Chairman spoke recently in Hyderabad. He gave the guidelines, which are almost the crux of the report, which he has prepared. There is nothing secret. We can discuss it with the hon. Member if he is interested... *(Interruptions)*

SHRI. SOMNATH CHATTERJEE: Not a single vital issue has been replied. Is this Question Hour you want to televise?.. (*Interruptions*)

SHRI. CHANDRA JEET YADAV: Sir, the Minister is time and again referring about the meeting of the National Development Council. Many important policy decisions are being taken and some of the discussions have very serious repercussions on our economic sovereignty even. My information is that because of the pre-occupation of the Prime Minister, the dates for the meeting of the National Development Council have not yet been finalised and the Chief Ministers are pressing for that meeting. And even the Committee report has not been submitted. When will the Chief Ministers give their facts to be included in the Agenda, which is going to be discussed in the meeting? I would like to know the Prime Minister's reaction on this.

THE PRIME MINISTER (SHRI. P.V. NARASIMHA RAO): Sir, whatever may be the reasons, I would not like to go into them. My colleague will answer it. My pre-occupation is certainly not the reason for fixing the dates of the NDC meeting later or earlier. I have told them that I am prepared to adjust with whatever dates suit them from the point of view of the business. That is the position, Sir.

SHRI. H.R. BHARDWAJ: I do not think that this is a correct information which the hon. Member has. The P.M.O. has already indicated the dates. We have the dates. I have said that because of the Parliament Session coming in between, one day adjustment here and there will be made. But we are going to meet in the last week of December.

SHRI. RAM NAIK: Sir, Eighth Plan period was earlier from 1990 to 1995. In the reply it has been said that it is from 1992 to 1997. That means, the two years, 1990 and 1991, are being probably treated as a Plan holiday by the present Government. I want to know when was this decision taken for changing the Plan period from 1990-95 to

1992-97. Why was the Parliament not taken into confidence? I want to know whether the Government will discuss this issue in the current Parliament Session.

SHRI. H.R. BHARDWAJ: Sir, it is not we, who are holidaying. It was the earlier Government, which was holidaying.. (*Interruptions*)

SHRI. RAM KAPSE: some part of the holiday period was enjoyed by you....(*Interruptions*)

SHRI RAM. NAIK: Sir, my question has not been replied. I want to know whether the Government will take this House into confidence and discuss about the formation of the Plan period. That was my question.

SHRI. H.R. BHARDWAJ: As I have submitted, it is not that nothing was done. There were allocations in 1990 and in 1991. But after that there was nothing left except to adjust the Plan period from 1992 to 1997 because the earlier two years were beyond our control.

DR. JAYANTA RONGPI: There are two hill districts of Karbi Anglong and North Cachar hills of Assam. For them there is a separate hill sub plan. Now the per capita investment in the hill sub plan of Assam is 200 to 300 per cent less than the per capita plan investment in the neighbouring hill areas like Meghalaya, Nagaland, Arunachal Pradesh and Sikkim.

MR. SPEAKER: Please come to the question.

DR. JAYANTA RONGPI: My question is, in view of the extreme backwardness of hill areas of Assam in Comparison even to neighbouring hill States of North East, will the Government make the plan investment in the hill sub plan of Assam at par with that of the other North East Hill States? Has the proposed committee gone into this aspect of disparity of the plan investment in the hills of Assam and per capita plan investment in other hill States of North East?

SHRI. H.R. BHARDWAJ: The North-East as a whole is being treated separately because of their problems. As the hon. Member is aware, Assam is part of the North East Council. In spite of the protest from other States, the treatment being given to the North-East State of Assam has always been special right from the inception of the plan.

SHRI. JASWANT SINGH: The problems of States are real. The original concept of the Planning Commission as an accelerator and programmer of a planning process no longer seems to be serving because the Planning Commission has become yet another kind of a bureaucratic hurdle as there is not enough to go round. I do not know what the judgment the Planning Commission now sits upon to distribute what I would seek two or three specific clarifications. Without going into the rationale for the continuity of this defunct organisation called the Planning Commission, we are informed that so far as the larger concern of the States on unit trust or small scale savings are concerned, for example, the share of States is almost completely eroded on small scale savings. The Government has written to States to say that Unit Trust will not be carrying out investment that it was doing in the earlier years. Hence the share of the States will fall. That means, savings will fall. So corresponding money available, for example, to a State like Rajasthan will be reduced enormously. For example, in a project of some importance to the country and of very great importance to Rajasthan like the Rajasthan Canal renamed as Indira Gandhi Canal, we are informed that the central allocation of Rs.40 crores annually is to be eliminated in the Eighth Five Year Plan. It means that an amount of Rs.200 crores coming to the State of Rajasthan for the development of Rajasthan Canal will not be there. Will the hon. Minister answer these two specific if not general aspects?

SHRI. H.R. BHARDWAJ: Rajasthan Government has sent one proposal only that weightage should be given to the area factor in the formula of central assistance. But I have noted the hon. Member's question. I

am not, at the moment having information about the Unit Trust. I will get it and send a reply to him.

[*Translation*]

SHRI. DAU DAYAL JOSHI: Tell about the Rajasthan Canal. Rajasthan Canal is the lifeline of Rajasthan. If you withdraw the funds earmarked for it, then it would be an unfortunate situation for us, please explain what are you doing for it?

SHRI. RABI RAY: Mr. Speaker, Sir, I would like to ask through you, from the Minister and would like to know from the Prime Minister that in his reply to the question of Shri. K.P. Singh Deo there was a reference to Orissa and the written answer to the first question hasn't been received. I would like to know from the honourable Minister the names of states who have expressed their fear about reduced allocation? Since the very beginning of the planning process many states have been acknowledged as backward. Orissa and Bihar are backward states where 38 percent population is Adivasi Harijans. I would like to know from the honourable Minister if he proposes, as a special case, to provide more money and instructing this committee to allot more funds?

SHRI. H.R. BHARDWAJ: Sir, the states, which have sent proposals are Andhra Pradesh, Assam, Bihar, Gujarat, Haryana, Jammu and Kashmir, Kerala, Maharashtra, Orissa, Rajasthan, Uttar Pradesh, and Tamilnadu. Orissa has said in its proposal.

[*English*]

"Weightage given to per capita income' criterion should be increased. Further tax ratios' under 'per capita tax effort' criterion should be calculated in relation to State income derived after deducting the total consumption of the population below poverty line".

All the things are being taken care of in the formulation of the Plan for 1992-97. I

cannot firmly say that this has been accepted because I am not in that position. I.D.C. and the planning commission as a whole - it is a national institution which decides this. And we have to wait till then. I appreciate that Orissa is a vast ocean of poverty and large number of tribals, scheduled caste and scheduled tribe people live there and it should be our national consensus to see that their conditions are alleviated and improved. There are no two opinions about it. But, at the same time, when we discuss a national issue we cannot discuss one State in isolation. There are other areas in the country which are equally poor. All these will have to be taken into consideration.

[Translation]

The poverty of the whole nation should be considered.

Closure of Unviable Public Sector Undertakings

* 3. SHRI. K.H. MUNIYAPPA :
SHRI HARADHAN ROY :

Will the PRIME MINISTER be pleased to state:

(a) whether the Union Government have decided to close down unviable Public Sector Undertakings;

(b) if so, the details of such unviable Undertakings; and

(c) the broad details of the policy of the Government in regard to unviable Undertakings?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI. P.K. THUNGON): (a) to (c) A Statement is laid on the Table of the House.

STATEMENT

(a), (b) and (c) :- Government have announced in the Industrial Policy State-

ment made on 24th July 1991 that Public Enterprises which are chronically sick and which are unlikely to be turned around will, for the formulation of revival/rehabilitation schemes, be referred to the Board for Industrial and Financial Reconstruction (BIFR) or other similar high level institutions created for the purpose. A social security mechanism will be created to protect the interests of workers likely to be affected by such rehabilitation packages. It has been decided to amend section 3(1) (d) of the Sick Industrial Companies (Special Provisions) Act, 1985 so as to include in its fold sick industrial public sector companies as defined within the meaning of section 617 of the Companies Act, 1956. Government have also announced setting up of a National Renewal Fund to take care of the interests of workers including those in the sick public sector enterprises. In resorting to these measures Government would consult the trade unions and all other interested groups in order to build consensus and minimise the adverse effect on workers.

SHRI. K.H. MUNIYAPPA : May I know from the Hon'ble Prime Minister whether the sick industries which are closed down will be reopened. If so, which are the industries which have been closed down and when those industries will be reopened particularly public undertaking in Karnataka?

SHRI. P.K. THUNGON: Sir, The Government have not yet decided to close down any specific unit. But the procedure to be followed is stated in the statement which I have laid on the Table of the House.

SHRI. K.H. MUNIYAPPA: There is a rumour to close down the Kolar Gold Mines. It would be a great injustice to the 11000 workers and also to their families. There is sufficient gold available. I want to know whether the Government will assure that the Kolar Gold Mines will not be closed in Karnataka.

SHRI. P.K. THUNGON: Sir, as I have already stated, at the moment, we do not have any proposal to close down any unit. so