

# LOK SABHA DEBATES

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## LOK SABHA

Friday, August 5, 1977/Sharavana 14, 1899  
(Saha)

*The Lok Sabha met at Eleven of the Clock*  
[MR. SPEAKER in the Chair]

### OBITUARY REFERENCE:

MR. SPEAKER : I have to inform the House of the sad demise of one of our former colleague, Shri Mohan Lal Gautam, who passed away at New Delhi on the 3rd August, 1977, at the age of 75.

Shri Gautam was a Member of the Constituent Assembly and the Provisional Parliament during the years 1947—52. He also served as Member of the Rajya Sabha from 1969 to 1972. Earlier he had been a Member of the U. P. Legislative Assembly and was a Minister in the State Government during the years 1952—54 and again from 1956—60.

Shri Gautam plunged into active politics at quite an early age and participated in the non-co-operation and Khilafat Movements. He suffered imprisonment many times and spent ten years in jail during the freedom struggle. Keenly interested in agriculture, he was closely associated with many organisations for improving the lot of the agriculturists and took a leading part in the establishment of the Agricultural University at Pantnagar in 1960. A man of versatile ability, he served on a large number of Committees and Commissions and was also a Member of the First Delegation to the Inter-Parliamentary Union held in Stockholm in 1949.

We deeply mourn the loss of this friend and I am sure the House will join me in conveying our condolences to the bereaved family.

The House may stand in silence for a short while to express its sorrow.

*The Members then stood in silence for a short while.*

1909 L.S.—1

## ORAL ANSWERS TO QUESTIONS

\*794. श्री जगदम्बी प्रसाद यादव :

यथा विल तथा राजस्व और बैंकिंग मंत्री यह बताने की कृपा करें कि :

(क) जनसंख्या एवं पिछड़ेपन के आधार पर 1975-76 के दौरान प्रत्येक राज्य को क्या प्राथमिकता नियत की गई ; और

(ख) उन्हें इस वर्ष किस प्रकार की कितनी सहायता दिये जाने की संभावना है ?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL) : (a) and (b). A statement is laid on the Table of the House.

### Statement

During the Fourth Five Year Plan, Central assistance to States for the State Plans was allocated on the basis of uniform and objective criteria, known as the Gadgil Formula. The chief ingredients of this formula are indicated below:

(a) The requirements of the States of Assam, Jammu & Kashmir and Nagaland were met through an *ad hoc* lump-sum assignment.

(b) The balance of the Central assistance was distributed among the remaining 14 States as under:

(i) 60% on the basis of population.

(ii) 10% on the basis of per capita income, only to those States whose per capita income was below the National average.

(iii) 10% on the basis of per capita tax effort in relation to per capita income.

(iv) 10% on account of continuing major irrigation and power schemes.

(v) 10% on consideration of special problems of States.

2. In 1974-75 and 1975-76, the Central assistance was kept at the level of 1973-74 pending a decision by the National Development Council, on allocation of Central assistance to States in the Fifth Plan period.

3. The National Development Council, in its meeting in September 1976, decided that for the Fifth Five Year Plan, the Central assistance to the States should be allocated on the basis of population calculations in terms of the Gadgil Formula. The States for which a lumpsum assignment is made now include Jammu &

Kashmir, Himachal Pradesh, Sikkim, Assam, Meghalaya, Nagaland, Manipur and Tripura.

(b) The allocations of Central assistance to States for 1977-78 are shown in the Annexure to this Statement.

## ANNEXURE

## Allocation of Central assistance to States during 1977-78

(Rs. crore)

STATES	Normal Central assistance for State Plan	Addition-ality for IDA/IBRD assisted projects	Advance Plan assistance for Irrigation Projects	Central Assis- tance		Other advance Central assistance	Six point formula assistance	NEC Sohaed
				For Tribal Sub-Plan	For Hill areas			
1	2	3	4	5	6	7	8	9
1. Andhra Pradesh . . . . .	94.49	3.75		2.08	—		18.00	
2. Assam . . . . .	56.51	0.06		2.57	6.00		..	
3. Bihar . . . . .	95.99	0.50		7.70	..		..	
4. Gujarat . . . . .	31.94	1.30		4.63	..		..	
5. Haryana . . . . .	11.06	0.40		..	..		..	
6. Himachal Pradesh . . . . .	28.04	0.20		0.90	..		..	
7. Jammu & Kashmir . . . . .	112.37	..		..	..		..	
8. Karnataka . . . . .	37.29	19.50		0.19	1.20		..	
9. Kerala . . . . .	53.17	1.10		0.14	1.44		..	
10. Madhya Pradesh . . . . .	70.81	1.60		14.41	..		..	
11. Maharashtra . . . . .	81.33	0.74		3.28	1.95		..	
12. Manipur . . . . .	14.09	..		1.24	..		..	
13. Meghalaya . . . . .	15.59	..		..	..		..	
14. Nagaland . . . . .	21.19	..		..	..		..	
15. Orissa . . . . .	38.25	1.25		7.58	..		..	
16. Punjab . . . . .	26.15	0.55		..	..		..	
17. Rajasthan . . . . .	51.77	3.75		2.59	..		..	
18. Sikkim . . . . .	12.17	..		..	..		..	
19. Tamil Nadu . . . . .	49.30	0.35		0.28	2.87		..	

1	2	3	4	5	6	7	8	9
20. Tripura . . .	11-07	—		0-83	..	..	..	..
21. Uttar Pradesh . . .	159 07	2-50		0-15	27-00	..	..	..
22. West Bengal . . .	72-27	0-70		2-05	3-24	..	..	..
TOTAL ALL STATES	1143 93	38 25	100-00 <sup>@</sup>	50-62	43 71	146-91 <sup>@</sup>	18-00	28-61
UNALLOCATED . . .	..	..	..	4-00	0-04	..	..	..
GRAND TOTAL . . .	1143-93	38 25	100-00	54-62	43-75	146-91	18-00	28 61

<sup>@</sup>The State-wise allocations have not yet been finalized.

श्री जगदम्बी प्रसाद यादव : मैं माननीय मंत्री जी से यह जानना चाहता हूँ कि बिहार राज्य को इस पिछड़ेपन के हिसाब से किस स्थान पर रखा गया है ?

बिहार राज्य जिसके छोटा नागपुर और संथाल परगना पहाड़ी क्षेत्र हैं, तो इन पर्वतीय क्षेत्रों के लिये और अधिम सहायता व इन योजनाओं से रुकम न देने का क्या कारण है ?

इसी संदर्भ में मैं यह भी जानना चाहता हूँ कि बिहार प्रदेश में संथाल परगना एक सबसे अविकसित जिला है, जहाँ पर रेल, राष्ट्रीय पथ, गांवों में स्कूल और कोई भी उद्योग धन्धा नहीं है, तो क्या सरकार ऐसे जिलों के लिये कोई निश्चित योजना राज्य सरकार को सहयोग के रूप में दे रही है ?

SHRI H. M. PATEL : The allocations are made, as I have mentioned in the statement, on the basis of the Gadgil Formula. The backward areas are really taken care of because the largest quantum of allotment, namely 60 per cent, is made on the basis of population, and 10 per cent in addition is given on the basis of the *per capita* income where it is lower than the national average. So, 70 per cent of the allocation goes on the basis of certain criteria which really favour the States which are backward. In addition to that, of course, there is a large sum of Rs. 450 crores set aside separately for the hills, tribal areas and so on. And yet another sum of Rs. 1150 crores similarly takes care of the backward areas. In other words, out of the total allocation, about Rs. 2,000 crores goes on this basis.

So far as the question of the special aid to backward districts as such is concerned, no separate allocation is made. So far as the Centre is concerned, it can only proceed on the basis that I have mentioned.

श्री जगदम्बी प्रसाद यादव : मंत्री महोदय ने बताया है कि गाड़गिल सूत्र के हिसाब से ये एंकोकेगन्ध हुए हैं। मैं उन्हें याद दिलाना चाहता हूँ कि जनता पार्टी की सरकार ने यह निश्चय किया है कि ग्रामों और पिछड़े क्षेत्रों के विकास के लिए बजट का एक-तिहाई भाग लगाया जायेगा, तो शायद गाड़गिल सूत्र के हिसाब से पूरा नहीं बैठता है। मैं यह जानना चाहता हूँ कि जो राज्य या जिले पिछड़े हुए हैं, उन्हें उठाने के लिए पिछली सरकार और इस सरकार के बजटों के खास खास मुद्दों में क्या अन्तर है।

SHRI H. M. PATEL : Generally I would remind hon. Members that we added certain special allocations for rural areas which again would assist the areas which are backward. Rupees 20 crores have been set aside for rural roads, 40 crores have been set aside for areas where drinking water supply was inadequate and about Rs. 100 crores for irrigation projects and so on. This is all that was possible to be done this year in the Budget to assist the States which are backward.

श्री जगदम्बी प्रसाद यादव : मैं यह जानना चाहता हूँ कि दोनों सरकारों के एंकोकेगन्ध में अंतर क्या है।

**SHRI H. M. PATEL :** Discussions will now proceed with each State Government to see in what way we can help them. These difficulties arise from very different reasons, some of which relate to the way in which there was erosion of resources of the States. The Plan allocations for 1977-78 were decided at the end of 1976 and the beginning of 1977. It was envisaged that some States would end the financial year 1976-77 with a certain deficit. In most cases, it was so. And on the basis of resources that they would mobilise State allocations were made for 1977-78. Since then for various reasons, the States in which there were elections recently, there was a certain erosion of resources. That has placed certain States in difficulties.

**SHRI DINEN BHATTACHARYA :** He may state what the Gadgil formula is and who is that Gadgil? Whether he is the senior Gadgil or junior Gadgil.

**SHRI H. M. PATEL :** I think Mr. Bhattacharya knows that the Gadgil formula was evolved in 1968-69. Dr. D. R. Gadgil was the Deputy Chairman of the Planning Commission.

**SHRI HITENDRA DESAI :** The National Development Council decided upon the formula known as Gadgil Formula for the Fourth Five Year Plan. May I know whether Government considers that formula fair and just and what are the nature of problems considered as special problems of States for which 10% of central assistance is required?

**SHRI H. M. PATEL :** The Gadgil Formula still holds the field. That was decided by the National Development Council as late as September 1976. When the question came up on what basis the allocations would be made for 1977-78, it was decided that they would adhere to the Gadgil formula.

The State problems vary from State to State. They have different difficulties.

I can give you an idea of some special problems. To give you an illustration, certain desert areas in Gujarat, Haryana and Rajasthan have been taken into account. A number of certain other special problems also arise. This allocation take care of any special problem that arises for a particular State which could not have been considered at the time the Plan allocations were made.

**SHRI HITENDRA DESAI :** Is it an objective one or an *ad hoc* one?

**SHRI H. M. PATEL :** It cannot be objective; it has to be *ad hoc*. The very word "special" indicates that these are problems which arise in a special way.

**SHRI SHAMBHU NATH CHATURVEDI :** May I know from the hon. Minister whether the allocations shown in column 2 of the statement cover all the allocations made under the Gadgil formula or there is anything supplemental to these allocations?

**SHRI H. M. PATEL :** They take into account all the normal Central assistance for the State Plans. That covers also all the allocations with reference to weightage of 60 per cent for population.

**SHRI SHAMBHU NATH CHATURVEDI :** Which are the States whose *per capita* income falls below the national average?

**SHRI H. M. PATEL :** The average *per capita* Central assistance is Rs. 84. Surprisingly, Bihar is exactly equal to the national average, that is, 84. The States which fall below that are, Gujarat —79; Maharashtra is also below that; Kerala—112. I am talking of the *per capita* assistance that is given for the five-year period.

**SHRI SHAMBHU NATH CHATURVEDI :** I wanted to know which are the States whose *per capita* income falls below the national average.

**SHRI H. M. PATEL :** The States which fall below that and which get assistance on that score are, Andhra Pradesh, Bihar, Kerala, Madhya Pradesh, Orissa, Rajasthan and Uttar Pradesh.

**Dr. KARAN SINGH :** As regards the Gadgil formula which holds the field still, if I recall correctly in the National Development Council at its last meeting or at the last meeting of the Chief Ministers, it was decided that while 60 per cent for population would continue, in the remaining 40 per cent a certain special percentage would be set aside on the basis of the population control measures so that a permanent incentive for States to adopt population control measures is built into our planning process. Am I to understand from the hon. Minister's reply that that recommendation has now been jettisoned?

**SHRI H. M. PATEL :** That recommendation is being followed, that is to say, an allocation of a certain amount for achievements of family planning is taken into account.

**MR. SPEAKER :** Shri Chand Ram.

**SOME HON. MEMBERS rose—**

**SHRI S. KUNDU :** We come from the backward States. It is a very important Question. You give us a chance to us also. We appeal to you; we will be obliged to you.

MR. SPEAKER : He is also coming from a backward area. Those who have already asked questions will get the last chance.

श्री बाबू राम : क्या मंत्री जी बतायेंगे कि हरियाणा राज्य पिछड़े प्रदेशों में आता है ? यदि हाँ, हरियाणा को कितनी मदद मिली है ?

SHRI H. M. PATEL : Haryana does not come in the backward list. The criterion for backwardness is already laid down.

SHRI P. M. SAYED : In view of the criteria laid down by the Gadgil Formula for allotting central assistance, I find that the ingredients do not fit in in some backward areas like scheduled tribe areas in the eastern sector as well as Lakshadweep which is also coming under the scheduled area. The Government has also prepared a sub-plan to develop these regions. I would, therefore, request the hon. Minister to reconsider the question of those States which are already given more assistance and the sub-plan which has been drawn by the Government should give more emphasis to the scheduled tribe areas.

SHRI H. M. PATEL : This suggestion can be considered, but I may inform him that about Rs. 400 crores have been set aside for assisting areas which he has in mind.

SHRI GANGA SINGH : According to the statement made by the hon. Minister, a sum of Rs. 18 crores have been given to Andhra Pradesh and not to other States under the Six-Point Formula assistance. I would like to know from the hon. Minister what is this Six-Point Formula assistance and why it has not been given to other States. What is the criterion for giving a sum of Rs. 18 crores to Andhra Pradesh only and not to other States ?

SHRI H. M. PATEL : Perhaps the hon. Member knows that this Six-Point Formula relates to the Telengana agitation and that settlement brought in a certain amount of special allotment that has to be made each year. On the basis of this Six-Point Formula, the allotment to Andhra Pradesh was made. This year, the allotment was of Rs. 18 crores.

SHRI K. S. VEERABHADRAPPA : There are acute drought conditions prevailing in several districts of Karnataka due to failure of rainfall during the last two years and causing a lot of hardship to a large number of people and the Farmers. There is an urgent need for arranging relief measures till November 1977 in those areas and the outlay made by the State for the relief work will not help the State of Karnataka to meet any more expenditure

on relief work unless more assistance is urgently made available from the Central Government. In my Bellary District, 45,000 workers are engaged in the relief work. The Karnataka Government has made a demand for Rs. 17 crores for this relief work. The Central Government has released only Rs. 4 crores. I would like to ask the hon. Finance Minister whether the remaining amount will be released for this scarcity relief work or not.

SHRI H. M. PATEL : As far as getting assistance for this kind of relief work is concerned, as the hon. Member knows, the Sixth Finance Commission had recommended that this kind of assistance should not be given except on certain basis. The Central Team visits several States. In accordance with that, the Central Team had also visited Karnataka and according to its recommendation, a sum of Rs. 4.75 crores have been released and nothing more would be released now.

SHRI S. KUNDU : I am very grateful to you for giving me this chance to ask a question from the hon. Minister. This is a very important question and I hope the hon. Minister would bear with me for a minute and answer the question.

During these thirty years, all the assistance given according to the Gadgil Formula and the recommendations of the Sixth Finance Commission and all special assistance that has been given has all gone down the drain and the problem of the backward States has become much more acute. In more than six States the per capita income is below the national average per capita income. I would like to know from the hon. Minister whether he would draw up a plan so that, within five years time, those States whose per capita income is below the national average per capita income will come at least on par with the national average per capita income, and whether he would specially draw up a plan to develop these backward States and place a White Paper on the Table of the House on this because the Janata Party and all of us are committed to the development of the backward States.

SHRI H. M. PATEL : The Planning Commission and the Government will consider this, and the Sixth Five-Year Plan will be formulated to achieve the kind of objective that the hon. Member has in mind. It is difficult to commit oneself on any particular period within which one may enable the backward States to get to the national average. But certainly every effort will be made to do so without necessarily slowing down the pace of development of the other States.