

P. A. C. No. 544

PUBLIC ACCOUNTS COMMITTEE (1977-78)

(SIXTH LOK SABHA)

FIFTH REPORT

**RELIEF OF DISTRESS CAUSED BY
NATURAL CALAMITIES**

**MINISTRY OF FINANCE
(DEPARTMENT OF EXPENDITURE)**

**[Supplementary Report of the Comptroller & Auditor
General of India for the year 1973-74 (Part I), Union Govern-
ment (Civil)]**



PRESENTED IN LOK SABHA ON - 5 DEC 1977
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RELIEF OF DISTRESS CAUSED BY NATURAL CALAMITIES

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21-6-1976 (FN)

21-6-1976 (AN)

22-6-1976 (FN)

22-6-1976 (AN)

14-9-1977 (FN)

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PUBLIC ACCOUNTS COMMITTEE

(1977-78)

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Members

LOK SABHA

2. Shri Balak Ram
3. Shri Brij Raj Singh
4. Shri Tulsidas Dasappa
5. Shri Asoke Krishna Dutt
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12. Shri M. Satyanarayan Rao
13. Shri Vasant Sathe
- *14. Shri Sheo Narain
- *15. Shri Jagdambi Prasad Yadav

*Ceased to be a Member of the Committee on his appointment as Minister of State w.e.f. 14th August, 1977.

RAJYA SABHA

16. Smt. Sushila Shanker Adivarekar
17. Shri Sardar Amjad Ali
18. Shri M. Kadershah
19. Shri Piare Lall Kureel *urf* Piare Lall Talib
20. Shri S. A. Khaja Mohideen
21. Shri Bezawada Papireddi
22. Shri Zawar Hussain.

SECRETARIAT

Shri B. K. Mukherjee—*Joint Secretary.*

Shri Bipin Behari—*Senior Financial Committee Officer.*

INTRODUCTION

1. I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Fifth Report of the Public Accounts Committee (Sixth Lok Sabha) on Supplementary Report of the Comptroller and Auditor General of India for the year 1973-74 (Part I), Union Government (Civil), relating to Relief of Distress caused by Natural Calamities.

2. The Supplementary Report of the Comptroller and Auditor General of India for the year 1973-74 (Part I), Union Government (Civil), was laid on the Table of the House on 21 January 1976. The Public Accounts Committee (1976-77) examined the Supplementary Report at their sittings held on 21 and 22 June 1976, but could not finalise the Report on account of dissolution of the Lok Sabha on 18 January 1977. The Public Accounts Committee (1977-78) considered and finalised this Report at their sitting held on the 14 September 1977 based on the evidence taken and the further written information furnished by the Ministry of Finance (Department of Expenditure) and the Ministry of Agriculture and Irrigation (Department of Rural Development). The Minutes of the sittings of the Committee form Part II* of the Report.

3. A statement containing conclusions/recommendations of the Committee is appended to this Report (Appendix XI). For facility of reference these have been printed in thick type in the body of the Report.

4. The Committee place on record their appreciation of the commendable work done by the Chairman and Members of the Public Accounts Committee (1976-77) in taking evidence and obtaining information on this Report.

5. The Committee also place on record their appreciation of the assistance rendered to them in the examination of the Supplementary Report by the Comptroller and Auditor General of India.

*Not printed. One cyclostyled copy laid on the Table of the House and five cyclostyled copies placed in the Parliament Library.

6. The Committee would also like to express their thanks to the Ministry of Finance (Department of Expenditure) and the Ministry of Agriculture and Irrigation (Department of Rural Development) for the cooperation extended by them in giving information to the Committee.

NEW DELHI;
September 28, 1977
Asvina 6, 1899 (S)

C. M. STEPHEN,
Chairman,
Public Accounts Committee.

CHAPTER I

EXPENDITURE ON RELIEF OF DIS...

A. Level of Expenditure.

Audit Paragraphs.

1.1. Relief of distress caused by natural calamities has been an important responsibility of the State. Drought, floods and cyclones have been the major calamities in recent years. Relief of distress is considered to be the responsibility primarily of the State Governments, but the Central Government gives assistance by loans and grants, whenever expenditure above certain specified limits has to be incurred.

1.2. Expenditure in all States from 1951-52 till 1973-74 is given in Appendix I. It will be seen that the level of expenditure has steeply risen in recent years. Thus, total expenditure in the three years of the annual Plan period (1966-67 to 1968-69) at Rs. 252.86 crores was substantially more than the total expenditure in the previous fifteen years and expenditure (1046.30 crores) during the five years of the Fourth Plan period, 1969-70 to 1973-74, was more than double the total expenditure incurred in the previous eighteen years. The rising trend is also visible in the average annual expenditure also indicated in the Appendix I.

1.3. During the five years 1969-70 to 1973-74, the largest amounts on relief measures were spent in nine States. The amount spent year-wise in those States were according to the Departments as follows:

(Rupees in crores)

	1969-70	1970-71	1971-72	1972-73	1973-74	Total
1. Maharashtra	N.A.	2.01	38.11	88.96	145.58	274.66
2. Rajasthan	63.07	42.11	2.23	12.37	51.26	171.04
3. Gujarat	28.38	16.82	..	61.03	..	106.23
4. Andhra Pradesh	14.75	5.76	13.31	35.70	22.21	91.73
5. West Bengal.	7.23	13.24	19.39	17.87	7.64	65.37
6. Karnataka	2.32	3.57	3.43	25.00	24.08	58.40
7. Orissa	4.75	0.85	16.95	14.60	12.57	49.72
8. Uttar Pradesh	4.22	3.15	11.21	15.28	15.84	49.70
9. Bihar	1.33	3.88	14.56	17.45	3.41	40.63
GRAND TOTAL	126.05	91.39	119.19	288.26	282.59	907.48

[Paragraphs 1.1, 1.2.1 and 1.2.2 of the Supplementary Report of the Comptroller and Auditor General of India for the year 1973-74 (Part I), Union Government (Civil)]

1.4. The Committee were informed by the Ministry of Finance that during the first two years of the Fifth Plan (1974-75 to 1979-80), expenditure incurred by the State Governments on relief of distress caused by natural calamities amounted to Rs. 115.53 crores in 1974-75 and Rs. 121.47 crores in 1975-76 (*vide* details indicated in *Appendix II*).

1.5. The following table furnished to the Committee by the Ministry, indicates the trend of expenditure on relief measures in the Fifth Plan period (first two years) incurred by those nine States which had spent the largest amounts on this account during the Fourth Plan period:

(Rupees in crores²)

State	1974-75 (Amount)	1975-76 (Revised Estimates)
Maharashtra	2.34	4.27
Rajasthan	10.19	10.19
Gujarat	31.02	39.58
Andhra Pradesh	9.59	4.31
West Bengal	5.20	10.20
Karnataka	2.18	2.31
Orissa	3.62	4.04
Uttar Pradesh	2.28	2.18
Bihar	9.31	11.11
TOTAL	75.73	88.19

B. Central Assistance

Audit Paragraphs

1.6. Amounts given by the Central Government as grants and loans have increased over the years. It will be seen from Appendix III that Rs. 98.67 crores were given during the fifteen years of the first three Plan periods (1951-52 to 1965-66); Rs. 263 crores during the three years of annual Plans (1966-67 to 1968-69); and Rs. 832.78 crores during the five years of the Fourth Plan of which Rs. 303.08 crores were given in 1973-74 alone. During the Fourth Plan period, most of the Central

assistance was given to Maharashtra (Rs. 223 crores), Rajasthan (Rs. 130 crores), Gujarat (Rs. 100 crores) and Andhra Pradesh (Rs. 97 crores).

1.7. Central assistance was given on certain principles which have been amended from time to time. Principles governing the quantum of assistance available for the period (1969-70 to 1973-74) covered by this review were promulgated in 1966. On the recommendations of the Sixth Finance Commission 1973, the pattern of financial assistance to States was altered from 1st April 1974. Instead of grants and loans given specifically for relief of distress caused by natural calamities, advances are now given against Plan allocations. In 1974-75, such advances totalling Rs. 49.88 crores were given to Gujarat (Rs. 9.89 crores), Rajasthan (Rs. 10.24 crores), Tamil Nadu (Rs. 7.50 crores), Madhya Pradesh (Rs. 6.50 crores), Assam (Rs. 1.84 crores), Bihar (Rs. 4 crores), Orissa (Rs. 7.91 crores) and Haryana (Rs. 2 crores).

1.8. During the Fourth Plan period, State Governments were expected to bear expenditure upto a certain limit specified for different States by the Fourth Finance Commission or as later refixed by the Fifth Finance Commission. Central assistance was limited to 75 per cent (50 per cent as grants and 25 per cent as loans) of the expenditure considered eligible for such assistance after deducting the amounts mentioned above (also called the margin). Eligibility of expenditure for assistance was determined partly by certain guiding principles also laid down by the Government of India in April 1966 as further modified from time to time and partly as determined on each occasion. The State Government was expected to report to the Central Government occurrence of drought, flood or cyclone, giving certain details as also an estimate of the moneys required to provide relief. The Central Government sent a team of officers (called the Central study team) who, after obtaining further information and discussions with the State Government, determined the items of relief necessary and also amounts which could be spent by the State Government on each item. Certain items of expenditure, for instance, on establishment or on purchase of heavy equipment, though considered necessary for relief, were not included for the purpose of Central assistance. Certain other items including expenditure on repairs or restoration of State properties damaged by flood or cyclone were also not eligible for Central Assistance. For such items as also for meeting the States' portion of the expenditure considered eligible, Government of India had indicated that *ad hoc* loans could be given if the ways and means position of a State Government consequent on the calamity made it so necessary.

1.9. During the five years ended March 1974, there were drought, floods, cyclones and heavy snow-fall in 18 States for which Central assis-

tance was given, as indicated below:

(Rupees in crores)

	1969-70	1970-71	1971-72	1972-73	1973-74	Total
Drought . . .	89.52	38.07	62.90	167.06	274.85	632.40
Floods . . .	18.55	35.66	39.73	41.72	23.23	158.89
Cyclones . . .	16.00	12.60	..	7.39	5.00	40.99
Snowfall . . .	..	..	..	0.50	..	0.50
TOTAL . . .	124.07	86.33	102.63	216.67	303.08	832.78

[Paragraphs 1.3.1, 1.3.2, 1.3.3 and 8.2 of the Supplementary Report of the Comptroller and Auditor General of India for the year 1973-74 (Part I), Union Government (Civil).]

1.10. Drawing attention to the sudden increase, during the Fourth Plan (1969-70 to 1973-74), in the Central assistance to States on account of natural calamities, amounting to Rs. 832.78 crores as against the assistance totalling Rs. 361.67 crores during the previous 18 years (1951-52 to 1968-69), the Committee desired to know the precise reasons for the sudden spurt in the level of Central assistance during the Fourth Plan. In a note furnished in reply, the Ministry of Finance stated:

- (1) The country faced two successive and widespread droughts in the years 1971-72 and 1972-73 and the extent of drought in these two years, both in terms of intensity as well as the area affected, was on a much larger scale than in the past. Several States were experiencing acute drought conditions for successive years. This had weakened the economic condition of the rural people and had necessitated provision of employment on a massive scale. At its peak in May/June 1973, the number of people employed on relief works in the country was around 93 lakhs per day.
- (2) The expectations of the people in the matter of distress relief by the Government are constantly on the rise and it may not, therefore, be appropriate to compare the scale and extent of Government's responsibilities in regard to relief of distress now with what happened in similar circumstances, say, 10 years ago.

- (3) Because of the inflationary situation, there has been an increase in the wages paid to labour engaged on scarcity relief works. Many States had to relax the earlier norms for output by scarcity labour and to enhance the wage rates. Since the bulk of the expenditure on relief works is on payment of wages, this has contributed to the rising relief works expenditures.
- (4) The pattern of Central assistance had also been liberalised over the years having regard to the needs of the situation. The Plan outlays were increasing and all available resources of the States, over and above current non-Plan expenditures, had to be fully committed to the financing of the Plan. As a matter of fact, for covering the gaps in their resources for financing the Plan, the Centre had to step in and provide special accommodation on a large scale during the Fourth Plan period. The Centre had also to provide a special assistance to States outside the Plan for acceleration of important Plan projects. In such circumstances, when a State was affected by a natural calamity, the Centre was called upon to give substantial assistance to enable them to cope with the calamity without the Plan being unduly eroded. Both the needs of the situation as well as the policy behind the scheme of Central assistance thus necessitated large transfer of funds from the Centre to the States during the Fourth Plan period.
- (5) Because of the severity of the drought in various States in 1972-73, it was decided to remove the ceiling on expenditures on relief works to ensure that people seeking employment were not denied it on account of financial constraints. The Centre, therefore, agreed that so long as the works taken up were of a productive nature, Central financial support would be made available towards the wage component of such expenditure. This, however, contributed to a spurt in the Central assistance in 1972-73 and 1973-74.

1.11. Asked if Government had made any assessment to determine the actual extent to which the staggering rise in Central assistance during the Fourth Plan was attributable to the severity of drought and other calamities and to what extent to other factors (*e.g.* rise in costs and prices), the Secretary, Department of Expenditure replied in evidence:

"No ex-post assessment is made about how severe the drought and other calamities were in one period as compared to the other period, etc. what is the extent to which increased outlay

has been due to higher prices, higher rates of gratuitous relief, higher rates of assistance and so on.”

1.12. The Committee enquired if the level of Central assistance given during the Fourth Plan did not appear to be over-generous when viewed in the context of the total assistance given during the previous 18 years. The witness replied:

“We have a situation where a very large number of people—possibly half the population of this country—live on the margin of subsistence and have no resources to fall back on the event of their being affected by a natural calamity. Any Government—whether State or Central—which seeks to deal with this issue from year to year is faced with tremendous moral and financial problems to determine what is the correct level of assistance that is desirable or what is the level that is sustainable taking into account the resources available, or what is the minimum that has to be done in order to avoid death and widespread distress. It is not an easy matter at any time to determine this, so that although ex-post it may appear one particular decision was too harsh and another decision was too generous and there may have been waste. . . . this should always be looked at keeping in mind that these decisions are taken by administrators and political leaders against a background which is harrowing and which requires a sympathetic approach.”

1.13. Asked if the resources of the country during the Fourth Plan were comfortable enough to permit relief expenditure of such magnitude, the witness replied:

“The rate at which relief expenditure was incurred in the Fourth Plan was greater than the resources of the country permitted and appeared to be higher relative to the calamities of that time.”

1.14. Admitting during evidence that expenditure on such a large scale during the Fourth Plan on relief of distress caused by natural calamities had contributed to inflation, the witness stated:

“I think it is undeniable that excessive expenditure beyond the resources currently available to deal with natural calamities, in a situation where there was already inflationary pressure because of loss of crops did play a very substantial part—in my judgement—in fuelling the inflation of 1973-74 and 1974-75.”

1.15. Asked if the spurt in Central assistance during the Fourth Plan which had led to inflation as not a matter of concern to Government, the witness explained:

“If there is some degree of increase in the Gross National Product, if there is some degree of increased prosperity in the country those who are affected by scarcity conditions have a right to expect more generous scale of relief to day than what they expected 20 years ago. Thus it is not surprising that there should be a gradual increase in the relief bill. But this cannot explain the quantum jump in expenditure from 1952-53 to 1974-74 with which the Auditor General, this Committee, the Finance Commission and the Central Government as a whole have been deeply concerned and which led to the change in the system of relief financing by the Centre. To some extent, that increase can be explained by the physical conditions of the drought areas. The drought and scarcity in Maharashtra and Gujarat, which was in the period 1972-74 were unique in the history of Western India. Nevertheless, I think one may conclude from the figures that the extent of relief attempted by the State Governments in that period may have been over-generous.”

1.16. The Committee desired to know how far the expenditure of Rs. 1046 crores incurred by States on relief of distress caused by natural calamities during the Fourth Plan of which Rs. 832 crores had been made available by the Central Government had resulted in creation of productive or durable assets. In reply, the Secretary, Department of Expenditure stated:

“The Central Government has not made any ex-post assessment of the extent of assets created or useful utilisation of the relief expenditure of the 4th Plan period.”

In reply to another question whether it would not be better to critically evaluate the impact of the massive relief expenditure incurred by the country during the Fourth Plan so as to draw useful lessons for the future, the witness stated:

“We could try to formulate some kind of assessment of the continuing benefits which are assumed to be flowing from the investment. Another alternative approach would be to entrust this to some research organisation unconnected with States and the Centre.”

1.17. Since a study by a private research organisation would be a time-consuming process, the Committee enquired if no Government organisation was in a position to undertake a quick evaluation to find out how much of the relief expenditure incurred during the Fourth Plan had actually contributed to the creation of durable, productive assets and how much had been spent only for the generation of employment etc. The witness replied:

“The relevant body existing within Government is ‘Programme Evaluation Organisation’ of the Planning Commission. If the Committee wishes, we could ask them. We do feel in the Finance Ministry the absence of any machinery for an elaborate economic enquiry of this kind.”

C. New Pattern of Central Assistance

1.18. The Sixth Finance Commission (1973) had, in paragraph 4 of Chapter XIV of their Report, referred to the ‘alarming proportions’ which the relief expenditure had assumed during the Fourth Plan and had, as a corrective measure, made the following recommendation in regard to Central assistance for drought control or flood control:

“We have no hesitation in urging that if the serious distortions and inequities caused in our scheme of federal finance by mounting expenditure on relief are to be corrected, whatever assistance is provided to a State for drought relief or flood control should be adjusted against the ceilings of Central assistance for the Plan.”

The Committee were informed by the Ministry of Finance that in pursuance of the recommendation of the Sixth Finance Commission, a new scheme of Central assistance had been introduced with effect from 1 April, 1974 and that under the revised policy, Central assistance to States to meet expenditure on natural calamities was against the Plan allocations of the respective States and that the pattern of assistance was the same as the normal plan assistance, namely, 70 per cent loan and 30 per cent grant. (In the case of Sikkim, however, the assistance given in 1975-76 was in the form of a grant as this was the pattern of assistance for that State in that year).

1.19. According to the information furnished to the Committee by the Ministry, during the first two years of the Fifth Five Year Plan (1974-75 and 1975-76), the advance plan assistance given to States on-

account of natural calamities amounted to Rs. 49.88 crores and Rs. 35.33 crores respectively as per details given below:

(Rupees in crores)			
	1974-75	1975-76	Total
Drought	45.04	0.73	45.77
Floods	4.84	30.45	35.29
Cyclone . . . . .	..	4.15	4.15
Others . . . . .	..	..	..
TOTAL	49.88	35.33	85.21

NOTE : Does not include Rs. 2.00 crores given to Assam or BFC works and Rs. 4.25 crores to Gujarat for DPAP.

1.20. The Committee learnt from the Ministry of Finance that under the new policy the advance plan assistance was and is available only for works which would normally be included in the Plan, under irrigation, soil conservation, afforestation, roads, drinking water supply, flood control works, etc. These, it was stated, were approved on-going Plan works and the advance plan assistance was only intended to accelerate them. Even where new works were to be taken up they had to be such as to qualify for inclusion in the Plan and where necessary, these had to be cleared by the Planning Commission.

1.21. So far as the non-Plan expenditure on relief measures was concerned, it was to be borne by the States from their own resources supplemented by the "margin money" provided by the Finance Commission. No Central assistance towards such expenditure is given as from 1 April, 1974. The margin money refers to the provision taken into account by the Finance Commission for the purpose of relief expenditure in their scheme of transfer of funds to States. The table below shows the margin money calculated by the Sixth Finance Commission for different States:—

State	Amount (Rs. in crores)
1. Andhra Pradesh	4.31
2. Assam	1.25
3. Bihar	4.61
4. Gujarat	4.55

State	Amount (Rs. in crores)
5. Haryana	1.24
6. Himachal Pradesh	0.03
7. Jammu & Kashmir	0.35
8. Karnataka	1.91
9. Kerala	0.30
10. Madhya Pradesh	3.41
11. Maharashtra	4.17
12. Manipur	0.04
13. Meghalaya	0.04
14. Nagaland	0.02
15. Orissa	3.58
16. Punjab	0.33
17. Rajasthan	10.19
18. Tamil Nadu	1.52
19. Tripura	0.07
20. Uttar Pradesh	2.18
21. West Bengal	6.61
TOTAL	50.71

1.22. Explaining, during evidence, the role of the Central Government in providing financial assistance to the States to relieve distress caused by natural calamities, the Secretary, Department of Expenditure stated:

“Under the Constitution the responsibility for meeting the problems of relief is that of the State Governments. The responsibility of the Central Government is only secondary in trying to assist the States where they lack resources to tackle problems of this magnitude. And the report of the Comptroller and Auditor General has rightly been circulated primarily to the States, and a summary version is before this Committee for consideration of the wider all-India aspects.”

The Comptroller and Auditor General of India expressed the following view in this regard:

“... this is a very clear question of accounting. The reason why the report is before the Parliament is that the whole expenditure which has to be voted upon, is voted by Parliament.”

1.23. The Committee enquired if, under the new dispensation effect from 1 April 1974, the responsibility of the Centre to extend financial assistance to the States for the specific purpose of relieving the distress of people caused by natural calamities had in any way been diluted. The Secretary, Department of Expenditure, replied in evidence:

“This does not constitute any change in the relief responsibility of the States and the Centre’s responsibility. The responsibility for dealing with the scarcity conditions is that of the States, it has always been that of the States and it remains to be the responsibility of the States only unless and until the Constitution is changed.”

1.24. Asked what were the sources from which the States would have to meet expenditure on relief of distress consequent upon the introduction of the new scheme of relief financing, the witness stated:

“The sources from which funds would become available are—margin money, plan funds and additional plan assistance.”

1.25. The Committee enquired on what basis the quantum of advance plan assistance to each State was determined. In a note, the Department of Expenditure stated that the quantum of the advance plan assistance was settled on the following considerations:

- (i) In the case of drought, the main purpose for which funds are required is the generation of employment for the drought effected population. On the basis of the magnitude of the population affected, the Team makes an assessment of the extent of employment generation that would be needed during the relevant financial year, as also the extent to which the employment could be generated from works already included in the State Plan (e.g. under roads irrigation, soil conservation, afforestation, etc.). The team also takes into account the extent to which Plan provisions could possibly be re-oriented so as to provide maximum employment to the drought affected population. The gap between the employment needed and the employment that could be found from the normal Plan/budget works is thus estimated, and on the basis of the average cost per man day, the financial requirements are worked out. This is made available as advance Plan assistance to the State for works of a Plan nature under minor irrigation, soil conservation, afforestation, roads, etc. with the suggestion that the funds should be concentrated on labour intensive works. Apart from advance Plan assistance

for employment generation, States are also given, in the case of drought, advance Plan assistance for drinking water supply schemes on the basis of an assessment of the magnitude of the problem and the provisions included in the normal Plan for drinking water supply schemes.

- (ii) In the case of floods and cyclone, employment generation does not constitute the major problem. The main purpose for which advance Plan assistance is needed by the State is restoration of the damaged flood control, irrigation and road works. Advance Plan assistance is provided only for works of a Plan nature, that is to say, towards works and expenditures which could legitimately be classified under the Plan and not for ordinary maintenance or repairs. The quantum of advance Plan assistance is decided having regard to the extent of the calamity and the funds available to the State in its Plan.
- (iii) Advance Plan assistance is generally made available only for the financial year in which the natural calamity has occurred on the consideration that at the time of the formulation of the State/budget, it could not have been foreseen. In regard to the requirements and expenditures, spilling over into the succeeding financial years, the States are, therefore, advised to take care of them while framing their Plan/budget for that year.

1.26. The Committee desired to know at what level a decision on the recommendation of the Central Team in regard to the quantum of Advance Plan assistance needed by a State to face a natural calamity was taken. In a note, the Department of Expenditure stated:

“The report of the Team is considered by a High-Level Committee on Relief under the Chairmanship of Member, Planning Commission, consisting of the Secretaries to Government in the Departments of Agriculture, Food, Health, Social Welfare and Finance (Expenditure), Secretary, Planning Commission and Relief Commissioner, Department of Agriculture. Recommendations of the High Level Committee are considered by the Government and advance Plan assistance where considered necessary is made available to the State Government.”

1.27. Pointing out that while during the Fourth Plan, average annual assistance to States amounted to Rs. 166.55 crores, the average Advance Plan assistance under the new scheme during the first two years of the Fifth Plan (1974-75 and 1975-76) worked out to Rs. 42.6 crores only,

the Committee asked if the reduced scale of Central assistance and that too against Plan allocations would not result in more hardship to the people. In reply, the Secretary, Department of Expenditure said:

“But if there is such a terrible calamity completely outside anybody’s previous conception, the Central Government will help. After all it is not a body quite different from the Constituent territories of the Union.”

1.28. The Committee desired to know if the new pattern of Central assistance had brought about a greater financial discipline in the management of relief expenditure. In reply, the Secretary, Ministry of Finance stated:

“The change in the system of Central financing has improved the situation...it is our feeling that after the new system of Central assistance, based on the Sixth Finance Commission’s recommendations, was made effective from 1974, there has been an improvement in the application and utilisation of Central Government’s assistance, which has been demonstrated by the lower sums which have been spent as Central assistance in the last two years as compared to the years 1972-73 and 1973-74.”

1.29. Asked if the reduced level of Central assistance during the first two years of the Fifth Plan (1974-75 and 1975-76) was on account of better management of relief expenditure or whether it was attributable to there being fewer calamities in the country in these two years, the witness stated:

“I think the impact of scarcity was less in these two years than it was in 1972-73. In one State, in Gujarat, it was bad but taking the overall picture of all the States taken together, the requirement of relief was less in these two years. But my point was not that the States have become better organised in that sense but that this safeguard against over-spending has proved to be successful, we feel, in curbing the somewhat excessive zeal towards starting of new works for drought relief and the like.”

1.30. The Committee asked if an assessment of the efficacy of the revised pattern of Central assistance had been made. In a note furnished, the Department of Expenditure stated:

“Although it is too early to make specific assessment of the efficacy of the new policy, the experience so far has been that by and

large the new scheme has worked satisfactorily. It has helped to introduce the concept of integrating relief and Plan expenditures, and to bring about a measure of financial restraint and discipline in this area. The States are now conscious of the fact that in the name of drought or flood relief, they cannot get more assistance from the Centre than what is due to them in the normal course.

The efficacy of the new policy is in a way reflected in the quantum of advance Plan assistance given during 1974-75 and 1975-76."

1.31. Drawing attention to the fact that when the Central Government stopped all relief assistance to States and started giving instead advance Plan assistance under the new scheme from 1 April 1974, many schemes already taken up by States under their relief works programmes were left incomplete and the expenditure incurred thereon rendered infructuous, the Committee asked whether at the time of switch over to new pattern, the completion of such schemes was ensured and if so, in what manner. In reply, the Secretary, Department of Expenditure stated:

"The policy is that if the schemes that were taken up under the earlier programme were indeed profitable and worthwhile, the States should find the resources by putting it into their plan and completing the schemes and that the Central Government under the new policy is not prepared to allocate additional funds outside the normal Plan assistance to the States specifically earmarked for completing uncompleted schemes."

D. Adjustment of Grants and Loans

Audit paragraphs

* * * *

1.32. The grants and loans were provisional and are to be adjusted on the basis of actual qualifying expenditure. It has not been possible to effect this adjustment in any State for the following reasons:

- (a) Expenditure reported to Government of India, on which Central assistance was given does not tally with expenditure booked in the Accounts Offices. It has not been possible to reconcile the two sets of figures.
- (b) Accounts rendered to the Accounts Offices include substantial sums drawn on abstract bills for which detailed accounts have not been rendered. The total amount so drawn for which detailed accounts are awaited is about Rs. 195 crores. There-

fore, it is not possible to assess whether the expenditure has been correctly classified as on relief measures.

- (c) Moneys drawn had not always been spent, but had been given as grants or advances to local or autonomous bodies or were lying in personal deposit accounts or cash chests.
- (d) Expenditure incurred was not apparently related directly to relief of distress caused by natural calamity. Instances have been mentioned earlier; some more instances are mentioned in *Appendix IV*.

1.33. Further, as certain expenditure on relief measures does not qualify for Central assistance, it was necessary to segregate items which are eligible from those which are not. In view of the magnitude of the total expenditure and since accounts are not maintained in that form, such segregation has not been possible. The accounts include expenditure which was not eligible for Central assistance for one reason or other including the following:

- (a) On items not eligible for Central assistance, such as on purchase of equipment or on establishment;
- (b) In areas not accepted as affected by drought or other calamity;
- (c) during periods when no calamity had been reported or after the date when, according to Government of India, relief operations should have been stopped;
- (d) on persons not affected by calamity including expenditure through contractors;
- (e) on benefits on a scale beyond those accepted by the Government of India.

Some instances have been mentioned earlier in this report; some more instances are given in *Appendix V*.

[Paragraphs 8.2 and 8.3 of the Supplementary Report of the Comptroller and Auditor General of India for the year 1973-74 (Part I), Union Government (Civil)].

1.34. With reference to the observations in the Audit Report that State Governments had either not rendered statements of accounts to Audit so far in respect of expenditure claimed to have been incurred on relief of distress from natural calamities, or where such statements had been

rendered, adequate information had not been forthcoming to verify the expenditure eligible for Central assistance and to facilitate recovery from the State Governments of the inadmissible portion of the expenditure, the Committee asked if the Central Government had taken any steps to devise a more feasible method. In reply, a representative of the Department of Expenditure stated in evidence:

“From 1966 to 1973, barring a few, the accounts have not been consolidated. We have been in correspondence with the State A.Gs. We have received replies from them and the States. If you permit we are prepared to sit with the Comptroller and Auditor General and finalise things. We are worried on this account.”

The Committee learnt from Audit that the policy in regard to Central assistance available to the States and items of expenditure eligible for the assistance had been enumerated in two circular letters issued on 14 April 1961 and 21 September 1966. The later circular, enumerating the principles governing the quantum of assistance and items eligible was applicable during 1969—74, the period covered by the present Audit Report. Asked if these two circular letters were issued to the States after consulting the Office of the Comptroller and Auditor General of India, the Department of Expenditure, in a note, replied:

“These were not issued after consultation with the Comptroller and Auditor General of India as they laid down primarily the policy of Central financial assistance to States towards expenditures necessitated by natural calamities.”

1.35. In a note furnished after the evidence, the Committee were informed by the Department of Expenditure that on 15 July 1976, the Office of the Comptroller and Auditor General had addressed a letter to the Ministry of Finance pointing out, in greater detail, the complexities of the problems involved in auditing of the expenditure claimed to have been incurred by the States on account of natural calamities. The problems enumerated by Audit are indicated below:

- (1) Many State Governments, with the exception of a few, had not sent statements of expenditure and even in respect of those State Governments who had sent such statements, statements relating to all the relevant years had not been received. (The State Government which had sent statements for the largest number of years was Andhra Pradesh, while Assam, Himachal Pradesh, Karnataka, Kerala, Orissa, Tamil Nadu etc., had not sent such statements for most years).

- (2) The expenditure brought to account on the books of the Accountants General under the Major Head of account "64 Famine Relief" (now Major Head "289 Relief on account of Natural Calamities") and other relevant Heads included total expenditure relatable to the relevant minor and detailed heads of account while the Central assistance was admissible for approved items of expenditure. The latter could not, therefore, be derived directly from the accounts maintained by the Accountants General but had to be culled out from the multitude of vouchers of relatively small amounts. For this purpose submission of the prescribed statements by State Governments with voucher-wise details indicating the expenditure qualifying for Central assistance was an essential pre-requisite which (as indicated earlier by Audit most States had not done.
- (3) For verification of the statements received from State Governments it was essential that the Accountants General should have received the detailed account in support of the money drawn on abstract bills. At the time the Central Supplementary Audit Report (Part I) 1973-74 was compiled, total amount drawn on abstract bills for which detailed bills had not been received by the Accountants General was about Rs. 195 crores which was a substantial fraction of the total relief expenditure of around Rs. 1,000 crores during the Fourth Plan period.
- (4) Money drawn had not been spent by State Governments directly in all cases and substantial amounts were given as grants or advances to local or autonomous bodies or were lying in the personal deposit accounts or in cash chests.
- (5) According to some State Governments, they faced what they considered 'insuperable difficulties' in rendering accounts on which a view could be taken of what amount qualified for Central assistance.
- (6) In Gujarat the main problem was in regard to expenditure on relief operations incurred through the District Panchayats. Substantial amounts were given to the District Panchayats for expenditure on relief measures and the Panchayats had not apparently submitted accounts of the expenditure to the State Government. The reason, according to Audit as per their information, was that the Panchayats had not kept accounts for this expenditure separately from expenditure on other items.

- (7) Statements of expenditure furnished by State Governments did not distinguish between expenditure which conformed to the Central Study Team's recommendations and that which did not.
- (8) There was scope for doubt as to which of the recommendations of the Central Study Team were to be applied strictly and which were to be ignored. [For instance, in their letter No. 8(25)—P/69 dated 8 March 1972, Ministry of Finance, had clarified, in the case of Rajasthan, that scale of relief beyond the ceiling suggested by the Central Team was not irregular.]
- (9) Certain State Governments had declared certain villages/blocks/Talukas as affected by drought. Government accounts were not kept and could not be kept for expenditure of this magnitude, village-wise/block-wise/Taluk-wise.

1.36. The Committee were informed by the Department of Expenditure that in response to this communication from Audit, they had, on 10 August 1976, made the following suggestions which, in their view, might help in finding a solution to the problem:

- (i) It might perhaps be necessary to consider some alternative methods to finalise the Central assistance given, without, of course, sacrificing the fundamental objectives. One method suggested was the finalisation of the assistance within the framework of the overall figures booked in the Accountants General's books taking into account the readily admissible expenditures *vis-à-vis* the ceilings, wherever feasible.
- (ii) The assistance given for loan items/repair items etc. was related to the ways and means position of the States during the particular period. These loans have been consolidated as per the recommendations of the Sixth Finance Commission and were being repaid by the State Governments. It would disturb the debt relief scheme of the Finance Commission if the loans given prior to 1973-74 were modified now, without any commensurate benefits. The main problem would, therefore, be with reference to the grant assistance that would be admissible on the basis of the expenditures incurred by States on relief items. For this purpose, the Department had suggested that if information could be made available in a prescribed proforma, it would suffice to finalise the accounts.

The proforma proposed by the Department for furnishing State-wise and year-wise figures and calamity-wise also, if possible, is as under:

1. Item of Expenditure.
2. Ceiling of Expenditure.
3. Departmental figures of expenditure.
4. Audited figures (total).
5. Readily verifiable amount.
6. Ineligible expenditure.
7. Unrelated expenditure.
8. Amount held under objection.
9. Remarks.

In this context, the Department also invited the attention of the Committee to the following points:

- (i) As from 1 April 1974, there has been a major revision of the policy. Under the present policy, Central assistance is provided, where considered essential, *only by way of advance plan assistance* and such advance Plan assistance is liable to be adjusted against the normal Central assistance due to the State for the Fifth Plan. The need for auditing of expenditures incurred by States on natural calamities *per se* for the purposes of calculating the Central assistance due would not therefore arise for the period after 1 April 1974.
- (ii) Even for the period upto the Fourth Plan period, most of the Central assistance given to States for natural calamities was in the form of loans. As a part of their scheme of debt relief to States, the Sixth Finance Commission have consolidated these loans and have made them repayable over a much longer period. The Finance Commission have observed that their scheme of debt relief should be viewed in their totality and accepted as a "package" and that any attempt to change it under one item or the other would tilt "the delicate balance" that they had sought to maintain between several valid but conflicting considerations. The recommendations of the Finance Commission have been accepted by the Government and a copy of the Report has also been laid on the table of the Parliament. Any alteration at this stage in the loan component of the Central assistance given to States for natural calamities relief in the Fourth Plan period would, therefore, disturb the scheme of debt

relief without corresponding benefits. It would, therefore, be advisable to tackle the problem of finalising the accounts from the angle of the grant assistance given to States for natural calamities relief.

“1.37. The Committee have been informed by Audit in August, 1977 that reactions of the Audit on the aforesaid suggestions of Government were communicated to Government in January, 1977. According to that communication Audit have no objection to the suggestion of the Government that ‘the loans given for financing the expenditure on natural calamities need not to be disturbed in view of the consolidation of loans already done according to the recommendations of the sixth Finance Commission and that the question of settlement of the Central assistance to State Governments for natural calamities may be confined to the assistance in the form of grant-in-aid’.”

In regard to finalisation of grants-in-aid, however, Audit have pointed out certain difficulties due to which it would not be possible for the State Accountants General to furnish the information in the proforma suggested by Government. According to Audit, ‘The results of Audit have already been indicated in the supplementary Audit Report of Central and State Governments (and) it is now for Government to take a view with reference to the observations made in these reports and finalise the Central assistance to State Governments in Consultation with them.’”

1.38. Though relief of distress from natural calamities is primarily the responsibility of the State Governments, the Central Government has also been assisting the State Governments in this none-too-easy a task by means of loans and grants, whenever expenditure above certain specified limits had to be incurred. Prior to the introduction, in April, 1974, in pursuance of the Sixth Finance Commission’s recommendation, of a revised scheme of Central assistance to meet expenditure on this account, the quantum of Central assistance and the items of expenditure eligible for assistance were governed by the policy guidelines laid down in this regard initially in April, 1961 and later revised in September, 1966. According to the latter which were applicable to the period 1969—74, the Central assistance was to be limited to 75 per cent (50 per cent as grant and 25 per cent as loan) of the expenditure considered to be eligible for such assistance after deducting the margins of (committed) expenditure determined by the Finance Commissions and the assistance was also subject to ceilings on component items as well as the entire expenditure. The Committee note with concern that, in spite of the apparently elaborate guidelines for regulating expenditure on distress caused by natural calamities, there has been

an alarming increase in the total expenditure as well as the Central assistance on this account during the Fourth Plan period (1969-70 to 1974-75), when as large a sum as Rs. 1046.30 crores (of which the Central assistance amounted to the staggering figure of Rs. 832.78 crores) was spent by the States on relief of distress, as against the corresponding expenditure of Rs. 433.31 crores for the eighteen years preceding the Fourth Plan (1951-52 to 1968-69).

1.39. The steep, and prima facie abnormal, rise in relief expenditure and Central assistance therefor during this period has been attributed inter alia, by the Ministry of Finance (Department of Expenditure) to (a) the two successive and widespread (both in terms of intensity as well as area affected) droughts in 1971-72 and 1972-73, which had weakened the economic condition of the rural population and the consequent need to provide employment on a 'massive scale', (b) the increase in the wages paid to labour engaged on scarcity relief works on account of the inflationary situation, (c) the need to enable the States to cope with the severe calamities without the Plan being unduly eroded and (d) the removal, in 1973, of the ceiling on expenditure on relief works with a view to ensuring that people seeking employment were not denied it on account of financial constraints. It has also been contended by the Department that the expectations of the people in the matter of distress relief by Government are constantly on the rise and it would, therefore, be inappropriate to compare the present scale and extent of Government's responsibilities in regard to relief of distress with what happened, in similar circumstances, a decade ago.

1.40. The Committee are willing to concede that the Central Government has an important and vital role in alleviating the sufferings caused to our people by the vagaries of nature and that the problems involved in dealing with crisis situations like drought, floods, cyclones, etc. are complex and demand a humane approach and that the measures necessary to relieve distress in such circumstances cannot await detailed planning and execution. They also recognise the psychological factors involved in such operations and the need to respond adequately and in time to the people's expectations in this regard. Consequently, a certain amount of flexibility and ad hocism is inevitable and, perhaps, even inescapable. Yet, as the succeeding chapters of this Report would show, the control over and monitoring of relief expenditure were deficient in many respects and the criteria for declaring scarcity, determination of the existence and extent of distress, etc. were honoured more in the breach than in their observance. After a study of the Supplementary Report of the Comptroller and Auditor General of India for the year, 1973-74 (Part I), Union Government (civil) and an analysis of the evidence tendered before them, the Committee

cannot help feeling that greater care and prudence could and should have been exercised in regulating the expenditure on relief of distress from natural calamities and in ensuring that the large sums of money pumped into the economy produced tangible and lasting benefits and that wide aberrations and infructuous activities were avoided. No detailed ex-post assessment also having been made as to how severe the drought or other calamities were in one period as compared to another and to ascertain the extent to which the steep increase in expenditure on distress relief was attributable to higher prices, higher rates of gratuitous relief, higher rates of assistance, etc. the Committee cannot also resist the impression that the total expenditure and Central assistance during the Fourth Plan period was somewhat liberal and even over-generous.

1.41. The representative of the Department of Expenditure also conceded during evidence that the various factors enumerated above notwithstanding "one may conclude from the figures that the extent of relief attempted by the State Governments in that period may have been over-generous", and that "the rate at which relief expenditure was incurred in the Fourth Plan was greater than the resources of the country permitted and appeared to be higher relative to the calamities of that time". He was also candid enough to admit that the excessive expenditure, beyond the resources then available to deal with natural calamities in a situation where there were already inflationary pressures, "did play a very substantial part in fuelling the inflation of 1973-74 and 1974-75." It is thus evident that the pumping of large sums of money in an economy unable to absorb them was, in the final analysis, not very beneficial.

As has been pointed out elsewhere in this Report, wages accounted for a major portion of the expenditure and the creation of durable and productive assets which could have sustained the economy in the long run was given a lower priority in the scheme of relief expenditure by most of the States. Besides, as has been pointed out by the Sixth Finance Commission, the mounting expenditure on relief also caused "serious distortions and inequalities" in our schemes of federal finance. The Committee are, therefore, of the view that greater financial restraint and discipline should have been ensured by the Central Government. The step that was ultimately taken in April, 1974 to curb the somewhat excessive zeal of the State Governments in incurring expenditure on relief should have been taken earlier when it came to be known that the existing regulatory mechanisms were not functioning properly and effectively.

1.42. Apart from the fact that no regulatory measures were initiated in time to check the rising trend of expenditure on relief during the Fourth Plan, what causes greater concern to the Committee is that no critical

evaluation has been made to see whether the massive relief expenditure of over a thousand crores of rupees incurred during this period had resulted in tangible and durable benefits. It was indicated to the Committee during evidence that the Finance Minister had no machinery for such an elaborate economic enquiry and that, if felt necessary, the Planning Commission's Programme Evaluation Organisation could be asked to undertake such a study. Considering the enormity of the expenditure and of the Central assistance extended during the Fourth Plan, the Committee are of the opinion that it would be worthwhile, even at this late stage, to attempt such an evaluation so as to determine what have been the continuing benefits flowing from this investment. Since this would also provide valuable lessons for the future, the Committee desire that the study should be undertaken forthwith and the results intimated to them. They have no doubt that the State Governments too would extend necessary cooperation in such an overall assessment.

1.43. Though late than never, Government have now revised, with effect from 1 April 1974, the pattern of Central assistance for expenditure on relief of distress from natural calamities. Under the new dispensation, while State Governments are expected to bear the non-Plan expenditure on relief measures from their own resources supplemented by the 'margin money' provided by the Finance Commission, Central Assistance is confined to Plan expenditure and given to the States in the form of 'Advance Plan assistance' and is meant to accelerate on-going works of a Plan nature under irrigation, soil conservation, afforestation, roads, drinking water supply schemes, etc. Such dove-tailing of relief expenditure with works which would normally be included in the Plans is a welcome step, as this would ensure better application and utilisation of the Central assistance on works of a truly productive nature while subserving, at the same time, the requirements of generation of employment for the drought-affected population.

1.44. The Committee have been informed in this connection that though it is too early to make any specific assessment of the efficacy of the new policy, the experience so far has been by and large satisfactory and that it has helped to introduce the concept of integrating relief and plan expenditures and to bring about a measure of financial restraint and discipline. The Committee also find that the quantum of Central assistance given during the first two years of the Fifth Plan (1974-75 and 1975-76) was far lower than what was given during the Fourth Plan and amounted respectively to Rs. 49.88 crores and Rs. 35.33 crores (as against the average annual assistance of Rs. 166.55 crores during the preceding five years). While this is certainly a welcome trend the Committee cannot,

however, lose sight of the fact that the impact of scarcity was considerably reduced and the requirement of relief was also consequently less in these two years. They would, therefore, like Government to keep a constant and vigilant eye on the functioning of the revised scheme of Central assistance so as to take timely corrective measures whenever found necessary and also to ensure that the requirements of financial discipline and the needs of State Governments in times of real distress are happily blended together and harmonised.

1.45. The Committee regret to note that in spite of considerable time having elapsed, it has not so far been possible to effect adjustments of grants and loans given by the Central Government to the States for relief measures on a provisional basis and finalise the accounts thereof. As would be evident from the correspondence exchanged in this regard between the Finance Ministry and Audit, which has been discussed earlier (vide paragraphs 1.35 to 1.37), the question appears to be fraught with a number of problems, a satisfactory solution to which is yet to be found. While the Committee desire that this long outstanding problem should be resolved satisfactorily, without of course sacrificing the fundamental objectives, with all possible expedition, they cannot help feeling that many of the problems now encountered would not have arisen at all or resisted solution for so long had Government taken the initiative in 1961 or at least in 1966 (when the policies in regard to Central assistance were spelt out) to settle, in advance with the Comptroller and Auditor General, a satisfactory method of account of relief expenditure after taking into account all the factors and difficulties involved. It is surprising, to say the least, that this was not done.

CHAPTER II

FAMINE CODES AND FORMS OF RELIEF

Audit Paragraphs

2.1. Most State Governments have a Manual,* essentially based on the model of a Famine Code formulated by Government of India in 1883 on the recommendations of the first Famine Enquiry Commission of 1880. The Manuals have been modified from time to time in the light of the changing circumstances in each State.

2.2. These Manuals provide for maintenance of a regular and efficient channel of information to detect impending distress and a state of preparedness to deal effectively and quickly with natural calamities. Revenue and other officials are required to send periodical reports to Government covering information on condition of crops, probable out-turn from Kharif and rabi crops, weather, rainfall, extent of stock of food and fodder, prevailing wages of labour, price trends, extent of employment available in villages, migration of agricultural labourers, increase in crimes mortality statistics, etc. On receipt of these reports, the State Government decides whether a district or a part of it should be declared as affected by scarcity and whether test works (works opened to gauge the existence, extent and intensity of distress) or relief works should be undertaken in the affected area.

2.3. Assessment of damage and likely damage to crops by drought or floods are important factors in determination of the need for relief measures. In fact, in many States notably Maharashtra, Gujarat, Orissa and Madhya Pradesh, this assessment played an important role. The initial assessment, being visual, is made by a village or junior revenue official and is to be test-checked by the Collector or Sub-Divisional Officer. Later, this visual estimate is to be cross checked by sample crop-cutting experiments.

2.4. In actual practice (as mentioned in detail elsewhere in this Report) in many States procedures have varied to a lesser or greater extent from those outlined in the Manuals. In recent years, some State Governments,

*Known by different names, e.g. Scarcity Manual (draft) in Maharashtra and Gujarat, Flood and Famine Relief Code in Bihar, Famine Code in Rajasthan. For facility, all these codes and manuals (with amendments and executive instructions) as in force in the State during the period have uniformly been referred to as the Manual.

notably West Bengal and Madhya Pradesh, have also amended the Manuals of their respective States so that the need for relief is assessed on such considerations as general economic distress, background of employment, inability of the people to purchase foodgrains owing to unemployment, etc., whether or not agricultural production or the economy of the district was affected by drought, flood or other calamity. The Government of Madhya Pradesh have intimated (November 1975) that the amendment made in the Manual in October 1972 whereby the need for relief works could be assessed against the background of unemployment and migration of labour even if it had been assessed that the crop was not severely damaged, had been deleted from October, 1975.

2.5. The State Manuals deal with the *modus operandi* of famine relief administration such as gratuitous relief, relief works, wages, etc. Under the pattern of Central assistance prevailing upto 1966 assistance was not available for productive works. This was changed in 1966 and the Central government started giving assistance for productive works also.

2.6. Collectors of districts are expected to prepare and keep ready lists of works which could be started at short notice in the event of a calamity. Before drafting this list, the Collector has to assess employment which may be offered in the area by works and projects in progress; the list of new works is to be prepared in consultation with the Public Works, Irrigation, Forest, etc., Departments, which would be responsible for their execution. Once the list of works is approved, sites have to be surveyed and designs and estimates technically sanctioned, the intention being that works properly selected and for which preparatory technical work has been done, could be started at short notice. Generally, in selection of these works, the intention is that the Collector should include in these lists works located close to the village to provide relief employment to those who could not be employed in the vicinity of works in progress or works of a planned and productive nature, which could be started or accelerated. By definition, these village works are comparatively small and require little more than unskilled labour. But even for such works, as also for works to be executed by the regular Departments, preference was to be given to productive works, specially those which would help to mitigate in later years the effects of drought or flood in the area, e.g., minor irrigation or afforestation works in drought affected areas and bunds, embankments or drainage channels in flood affected areas. Works of an unproductive nature, e.g., roads; are to be taken up only as a last resort.

2.7. Works left incomplete at the end of earlier relief operations or when started under any Plan Programme, left incomplete for lack of funds, were to be given preference.

2.8. In almost every district reviewed in all the States, these lists of works were not prepared in advance. (Some of the consequences of this lack of advance preparation have been mentioned later in this Report).

2.9. From the point of view of agency for execution, relief works can be classified as follows:

- (a) Works supervised directly by the technical Departments like Public Works Department (Irrigation Branch of Buildings and Roads Branch), Forest Department, Agriculture Department for instance, irrigation works, bridges, canals, road works (including forest roads) contour bunding, etc.; and
- (b) Village works executed by Revenue Officers and panchayat raj bodies (assisted where necessary by technical subordinates of other departments deputed for the purpose), *i.e.*, wells, small irrigation tanks, improvement to village roads and such works as benefit a village or a group of villages.

2.10. Relief programmes in States are controlled and coordinated by the Revenue Department or the Relief Department, if separately constituted as in Rajasthan. In certain States (e. g., Karnataka, Gujarat, Rajasthan and Maharashtra) District or Taluk Advisory Committees comprising officials and non-officials have been constituted to advise Collectors and others on administration of relief.

2.11. As stated above, relief works are executed either through the respective technical departments or Revenue Officers, assisted where necessary by technical officers. In Karnataka and Rajasthan, relief works were executed mainly through organised engineering departments while in Uttar Pradesh such works were executed mainly through Revenue Officers. In recent years, Zila Parishads, Panchayat Samities and Block Development Officers, etc., have also acquired an important role in execution of relief works. Most of the expenditure on relief works in certain States like Gujarat, Maharashtra, Andhra Pradesh, Bihar and Orissa was incurred through these agencies. In Gujarat and Maharashtra, the Zila Parishads have regular engineering wings attached to them. In Andhra Pradesh, Zila Parishads and Panchayat Samities have regular engineering wings attached to them.

2.12. In the event of a flood, drought or other calamity, the Collector asks for funds on the basis of an assessment of the situation and number of persons to whom gratuitous relief or relief employment is to be provided and the duration for which he anticipates that relief measures would be needed. The Collector's reports are examined by Commissioners or Members, Board of Revenue and Government and funds are allotted

thereafter. In some States, these amounts are calculated on the quantum of employment to be provided, and the Commissioners, Collectors or other officers are empowered to sanction works within the amount so allotted, usually on the recommendations of district or Taluk Advisory Committees. In certain States, notably Rajasthan, the Collector is to propose specific works which are to be approved by Government and money is allotted as required for those works. In certain other States, notably Uttar Pradesh, West Bengal and Bihar, funds were allotted in lumpsum or *ad hoc* without detailed assessment of the extent of distress, number of persons needing employment or gratuitous relief, etc. In Gujarat, funds were released to Collectors and District Panchayats monthly or bi-monthly on the progress of expenditure and the projected labour reports received from the spending agencies. There was, however, no arrangement by which Government kept a watch on the distribution of funds to various taluks within a district and this was largely left to the Collectors and District Panchayats. Lumpsum, or *ad hoc* allotments made by some State Governments sometimes led to excessive allotment of funds or allotments to collectors, who had not asked for funds.

2.13. Gratuitous relief is to be given only to disabled and like persons who are unable to do any work. It is given either in cash or in the shape of foodgrains or partly in cash and partly as dry food-stuff. It is sometimes also given by serving cooked food in Poor Houses, Gruel Centres or Feeding Centres. Other forms of gratuitous relief comprise free supply of clothing, seeds, fertilisers, medicines, fodder; house repair grants etc. Before such relief is given, Revenue Officials, Panchayats or Ward Committees are to prepare lists of persons eligible for gratuitous relief, which are checked at various levels before being finally approved by Collectors.

2.14. The scale of gratuitous relief applicable to various categories of distressed people and its duration are fixed by the State Government depending on the nature and extent of calamity. During floods and cyclones, emergent relief is given in the shape of food, clothes, utensils, etc. for short periods, say, a week or so, till the floods recede. In doing so, generally no distinction is made between different sections of the affected population and relief is afforded irrespective of one's capacity to work or his pecuniary circumstances. In the case of drought, gratuitous relief is to be restricted to old and infirm persons who are unable to work and have no one to support them; it is given for a longer period and its duration is to be limited to the next major harvest.

2.15. In certain States (e.g. Bihar, Uttar Pradesh and Jammu and Kashmir), the principle of gratuitous relief has been extended to fires in which houses of many people are burnt.

2.16. Other relief measures include suspension or remission of land revenue or arrangements to meet scarcity of good grains in affected areas by opening of fair price depots at suitable places, and ensuring adequate supply of stocks; distribution of nutritious foods to prevent debility especially where scarcity prevails in successive years, grants for repairs to school buildings, etc. damage in floods; loans for rehabilitation of victims of floods; throwing open grazing land to cattle in distress due to drought or floods; rescue operations for people as well as cattle from submerged or eroded areas to safer areas, measures for prevention of cattle epidemics and write-off of agricultural loans.

[Chapter III of the Supplementary Report of the Comptroller and Auditor General of India for the year 1973-74, Union Government (Civil), Part I, Paragraphs 3.1 to 3.12].

2.17. The Committee have been informed by the Department of Expenditure that while eleven States had revised their famine codes/scarcity manuals after Independence, seven States did not have a famine code or scarcity manual of their own but followed either the codes of other State Governments or executive instructions issued in this regard. Relevant information furnished by the Department in this connection, indicating the position in different States is summarised below:

I. States which have revised codes/manuals after Independence:

Name of States	Year of revision
1. Madhya Pradesh	1952 and 1973
2. Uttar Pradesh	1953*
3. Bihar	1957
4. West Bengal	1959
5. Rajasthan	1962
6. Orissa	1966
7. Maharashtra	1966
8. Kerala	1967
9. Gujarat	1967
10. Karnataka	1971
11. Punjab	1972

*A "Floods and other Natural Calamities Manual" has also been issued by the State Government in 1970 as ancillary to the revised Famine Code.

II. Position in States which do not have Codes/Manuals of their own:

- (1) **Andhra Pradesh:** The Madras Famine Code and the Hyderabad Scarcity Manual are applicable in the Andhra and Telengana Regions, respectively.
- (2) **Assam:** Executive instructions issued by the State Government in 1959 to cope with natural calamities are still in force.
- (3) **Haryana:** Executive instructions issued from time to time for flood and fire relief are being followed.
- (4) **Himachal Pradesh:** The State Government follows the Punjab Code and other executive instructions issued by the State Government itself from time to time.
- (5) **Jammu and Kashmir:** The State has issued rules regulating the grant of gratuitous relief and loans to the sufferers of natural calamities. There is an enactment also viz., the J&K State Emergency Relief Fund Act 1960.
- (6) **Meghalaya:** The executive instructions issued in Assam are in force in this State.
- (7) **Tripura:** The instructions issued by the Government of India are followed.

2.18. The Committee have also been informed by the Department of Expenditure that while replies in this regard were awaited from Manipur and Nagaland, there appeared to be no Famine Codes/Relief Manuals in these States also.

2.19. As regards Tamil Nadu, the Department have stated that the Famine Code as it was in force prior to 1947 was still in force, except for the inclusion of a new Appendix to its 1950 edition, which dealt with instructions relating to the construction of a Model Famine Relief Camp.

2.20. The Committee learnt from Audit that the Government of Andhra Pradesh had stated (June 1975) that the State Famine Code remained dormant on account of various developments that had taken place during the last two decades and that the instructions in the Code were not being followed as the present emphasis was on the execution of irrigation works and other specific programmes included under various sectors of development.

2.21. Similarly, according to the information furnished to the Committee by Audit, in Karnataka, the Famine Code was not being followed at present and instead relief operations are governed by several instruc-

tions and orders issued by the State Government from time to time which have been compiled as a scarcity Manual.

2.22. In paragraph 2, Chapter XIV of their Report, the Sixth Finance Commission have *inter alia* observed that:

“Famine Codes are available in many of the States and some of them have been updated. These codes, despite many deficiencies, assured a reasonable measure of uniformity among the States in their approach to problems of relief.”

2.23. During evidence, the Committee desired to know how far the absence of Manuals governing the administration of relief operations in as many as nine States was responsible for various irregularities pointed out by audit and for excessive expenditure on relief operations during the 4th Plan. In reply, the Secretary, Department of Expenditure stated:

“Even those States which may have codes which are 20 years old, or which may have rules rather than formal codes, year after year, have been regulating their expenditure on the basis of well-established norms, and there is *prima facie*, no reason to suppose that the absence of an upto-date book—printed last year—is the cause of such excesses or irregularities as might have occurred.”

2.24. Asked if the States concerned were cautioned that unless they framed manuals regulating relief operations, Central assistance on account of natural calamities would not be given, the representative of the Department of Agriculture replied:

“I must confess that no such warning has been given to those States.”

2.25. Since such manuals were apparently essential for the administration of relief operations, the Committee enquired that why the Central Government had not deemed it proper to issue such a warning to the States. The witness replied:

“In view of the fact that recommendations of the Sixth Finance Commission have changed the whole complexion of Central assistance to the States in respect of relief for scarcity or floods, the whole question is gone into by the Central teams which are sent to the States to examine the problems created by calamities as and when they occur. The assistance provided nowadays, *i.e.*, after the Sixth Finance Commission's recommendations have come into operation, is in respect of the Plan schemes.”

2.26. On the Committee pointing out in this context that the pattern of Central Assistance had been changed in pursuance of the recommendations of the Sixth Finance Commission only from 1st April, 1974 and enquiring into the reasons for not cautioning the States in this regard earlier, the witness replied:

“It is true that some states did not have scarcity manuals or flood relief codes, but they had executive instructions which were being followed.”

2.27. In reply to another question why Central assistance on account of natural calamities was given despite these States not having a code or a manual, the witness stated:

“The assistance was being given after making an on-the-spot study of the situation obtaining in different States. The directions were also clear as to the manner in which and the items for which the assistance given was to be spent. I am afraid I cannot tell you any other reason why no such condition was laid down in those days in respect of codes or manuals.”

2.28. The Committee desired to know if the Central Government had reviewed the provisions contained in the Famine Codes or Scarcity Manuals of various States and taken up the question of their revision with the State Governments concerned with a view to evolving a uniform code for the whole country. In a note furnished in this regard, the Department of expenditure have stated *inter-alia*, as follows:

“A study of the position regarding the Famine Codes/Scarcity Manuals in vogue in various States was made by the Central Government. The basic issue of the study was that of ensuring that the Scarcity Manuals/Famine Codes are in line with the socio-economic objectives of the present Government and fully take into account the various policy decisions in regard to organisation and distribution of relief during drought in the post-Independence era. A background paper was drawn up in consultation with the Ministry of Finance and Planning Commission and circulated on 22-12-1973 for their consideration and follow up action. It was proposed to discuss this in a meeting with the State Government officials. This meeting was however not held and subsequently a slightly modified version of the original background paper was circulated to the State Governments in January, 1976 for their appropriate action. . . . The modified draft contains a pointed reference to the need to pay special attention to the protection and relief of the children during periods of scarcity. As the subject of re-

lief is a State subject, it has been left to the State Governments to modify their Famine Codes/Scarcity Manuals.”

A copy of the modified background paper furnished to the Committee by the Department is reproduced in Appendix VI.

2.29. The Committee asked why the meeting with the State Governments to discuss the background paper circulated on 22 December 1973 was not held at all. In reply, the Secretary, Department of Expenditure stated in evidence:

“At one stage it was felt that a meeting with all the States’ representatives would expedite the reformulation of the scarcity manuals and inter-change of information would be useful for having a more unified set of manuals. But at a later stage since the States themselves have not shown too such enthusiasm for the Central guidance in this field and since the Centre’s new role is only to provide finance for accelerated plan schemes under a well defined pattern, the immediate urgency for uniform pattern of scarcity relief throughout the country seemed to us to be less and it did not seem to necessitate the Central Government’s intervention to expedite what is essentially the States’ own responsibility.”

2.30. Since the Central Government had taken more than two years to bring out a slightly modified version of the original background paper on Famine/scarcity codes, the Committee asked if the Central Government was really serious about the idea of evolving a uniform code or laying down guidelines which the States could follow. In reply, the Secretary, Department of Expenditure, stated:

“We do submit that the requirement for a uniform famine code of the old type probably does not exist today. What we need is that each State has to revise the internal rules for control, for assessment of damage, requirement or distribution of money. Each State has to do it itself. The scales of assistance need not always be uniform between the States.”

2.31. Asked why it should have taken more than two years to bring out a revised version of the background paper, even if it was felt that there was no need for a uniform code for the entire country, the representative of the Department of Agriculture replied:

“The scarcity manuals lay down the executive instructions regarding the action to be taken by the State Government at various

levels to mitigate the sufferings. This deals with advance preparations, declaration of scarcity, medical relief arrangements, etc. These differ from State to State. There cannot be uniformity in all aspects, particularly because the size of the problem differs widely between States. Whether a uniform code can be prescribed for different States has been under consideration between the Ministries of the Government. There has been a feeling that there cannot be absolute uniformity in these codes."

2.32. The Committee desired to know the views of the Ministry of Finance in so far as the question of having a uniform code was concerned. In reply, the Secretary, Department of Expenditure, stated:

"The view of the Finance Ministry has been that, under the present financing pattern, since the Central Government is merely giving advance plan assistance to the States, and the actual expenditure of outlay which the States make is really their own concern, it is not perhaps necessary for us to dictate from Delhi a uniform code for each State. Some States like Andhra and Maharashtra have greater resources. If they wish to be a little more generous in applying relief, it may not be necessary for us to strictly lay down from Delhi that you can spend only so much *per capita* and no more. However, the Central assistance will be uniform and that will not be guided by variations in what the State may like to do by way of provision of housing, relief etc. But the Ministry does not have any fixed views in this matter."

2.33. Asked if the Central Government had received till June 1976 any response to the revised guidelines circulated to States in January, 1976, the witness replied:

"We have not received any response."

2.34. In view of the fact that the Manuals had been brought out by the States a number of years ago and might have, therefore, become out-moded and obsolete, the Committee asked whether it was not necessary even to update them. The Secretary, Department of Expenditure, replied:

"There are two sets of rules, *i.e.* scarcity manuals of famine code regulates the expenditure by the States, and the assistance policy regulates the extent to which the Centre will share the States' outlay on relief. The first set of documents, famine code or the scarcity manual, seek to define the extent of

scarcity which calls for action on the part of the Government. It would also indicate the type of test work to be started and the wages levels to be paid for particular works and it lays down some rules about the accounting of the advances etc. The need for further elaboration of these manuals is arising particularly from the fact that they were written a very long time ago and also from the fact that today the people expect a great degree of assistance and relief than they were satisfied with fifteen years ago. The Government also want to give more specific assistance like supply of seeds, provision of fortified food for children and whole range of things which can be used for ameliorating distress in the case of famines, floods etc. To this extent, the internal codes of the States have to be brought uptodate to enable full use to be made of the whole range of assistance which can be quickly directed to these cases."

2.35. As regards the criteria and procedure adopted by different State Governments for the assessment of scarcity conditions, the Committee learnt from Audit that while in Orissa, the Collectors were authorised to select areas for starting relief operations on certain principles which were changed from time to time, the Government of Rajasthan had not prescribed the criteria on which scarcity conditions were to be assessed and the criteria generally adopted for declaring scarcity was damage of 50 per cent or more to the crops as reported by the Tehsildars and endorsed by the Collectors. Similarly, the Governments of Uttar Pradesh and Karnataka had not laid down the basis to be adopted for determining the existence and extent of distress.

2.36. Since the Central Government had given large scale assistance to the States during the Fourth Plan and would presumably give it in future too, though on somewhat different principles, the Committee wanted to know if it was not desirable to lay down uniform criteria for determining the existence of distress in different States. In a note furnished in reply, the Department of Expenditure stated:

"According to the instructions issued by the Central Government, certain approved items were normally eligible for Central assistance. Even though, the reports furnished by the State Governments were prepared on different basis keeping in view the circumstances prevailing in the respective States, the uniformity in the matter of grant of assistance was ensured by the Central Team who used to make recommendations keeping in view the items approved for Central assistance. This course of action has been considered to be appropriate and is intended to be continued."

2.37. The Committee desired to know the reasons for the State Governments of Madhya Pradesh and Maharashtra changing their manuals so as to enlarge the scope of relief and making it more liberal while in other States like Orissa, the conditions for grant of relief appeared to be very stringent. The Secretary, Department of Expenditure, stated:

“Although the States’ criteria for declaration of scarcity and famine conditions do differ because of the lack of a uniform code, so far as the Central assistance is concerned, uniform criteria are applied in regulating it so that the absence of a uniform code has not meant that the States which apply lower criteria get larger assistance and the States which apply stricter criteria get less assistance.”

2.38. According to the instructions issued by the Government of India on 21 September, 1966, the criteria governing Central assistance was that, subject to the ceilings of expenditure fixed on each occasion, the Government of India would provide financial assistance to the State Governments concerned on 75 per cent of the expenditure incurred—50 per cent by way of grant and 25 per cent by way of loan. The balance of 25 per cent was met by the State Governments themselves. Expenditure on the following items was normally eligible for the grant of assistance:

- “(i) Free or concessional supply of food.
- (ii) Cash payments to indigent persons for purchase of necessaries.
- (iii) Cash doles to the disabled.
- (iv) Free or concessional supply of clothing and blankets.
- (v) Free or concessional supply of medicines.
- (vi) Free or concessional supply of seeds.
- (vii) Free or concessional supply of fodder.
- (viii) Measures for provision of cattle epidemics.
- (ix) Provision of drinking water.
- (x) Provision of transport facilities for goods to be moved on relief account.
- (xi) Repairs to houses damaged by the calamity.
- (xii) Relief works.

2.39. A new policy with regard to Central assistance towards expenditures necessitated by natural calamities was introduced from 1st April, 1974. The essential elements of this policy are:—

- (i) **The State Governments are responsible for all relief and non-Plan expenditure, although food, medical supplies, services of the Armed Forces and any other non-financial assistance would be readily made available by the Centre for relief purposes;**
- (ii) **Central financial assistance would only be in the form of advance Plan assistance for schemes/works which fit into Plan priorities. Such advance plan assistance will be adjusted within the overall allocation of the State's Central assistance for the Fifth Plan.**
- (iii) **Schemes/works to be financed out of such advance plan assistance should have the clearance of the Planning Commission after investigation by a Central team.**

2.40. In the 'Background Paper' circulated to State Governments on 22 January, 1976, by the Ministry of Agriculture & Irrigation, the following criterion for declaration of scarcity was recommended:

"Lastly, there is need to have well set procedure of declaring scarcity conditions in the areas where there is failure of rains. At present the basic criterion is that of loss of production in crops. The practice, however, varies from State to State. It is also noticed that at the first failure of rains, reports indicating occurrence of drought or scarcity conditions over vast areas involving large number of people are sent out by the State Governments which have to be subsequently changed with the progress of rains. The Codes/Manuals, therefore, need to provide that declaration of 'scarcity conditions' would be made only after full and complete data in regard to loss in the production is analysed, and unless the loss is abnormal, actual scarcity will not be declared. In this regard, the question of declaring any area as "famine affected" does not arise. "Famine" indicates a state of extreme paucity of food and acute form of human distress on account thereof.

With the development of transport|communication facilities and improvements in the food production in the country, the conditions of 'famine' could not be said to appear on any failure of rains. What happens is an occurrence of scarcity conditions which may be either severe or not so severe depending upon whether the concerned areas has been visited by droughts successively for a number of years or not. In view of this, relief operations to be organised should be termed as meant for

meeting scarcity conditions rather than famine. Indeed, some of the Codes|Manuals have already recognised this position and have enunciated the principle that in the context of a Welfare State there is no need for declaring famine of scarcity conditions. State has assumed full responsibility for relief and abolished the practice that obtained in regard to three stages of distress for organizing relief works, viz. (i) observation and test; (ii) scarcity (intermediate between test and famine) and (iii) severe distress.”

2.41. As already stated in para 2.33 there has been no response from States to the guideline contained in the background paper.

2.42. The need for maintaining a regular and efficient channel of information to detect impending distress and being in a state of preparedness to tackle situations arising from natural calamities, cannot be over-emphasised. It is equally important to prescribe suitable criteria and guidelines for determining the nature and extent of a calamity and the measures necessary for quickly and effectively relieving distress while at the same time exercising adequate and proper control over the requirements and utilisation of funds for relief expenditure. The Committee are, however, surprised to learn that as many as nine States (Andhra Pradesh, Assam, Haryana, Himachal Pradesh, Jammu & Kashmir, Manipur, Meghalaya, Nagaland and Tripura) have as yet no famine codes or scarcity manuals of their own dealing with the modus operandi of relief administration. While Andhra Pradesh has adopted for the purpose the Madras Famine Code and the Hyderabad Scarcity Manual and Himachal Pradesh the code in force in neighbouring Punjab, the States of Assam, Haryana and Jammu & Kashmir follow the executive instructions or rules on the subject issued from time to time. Meghalaya and Tripura, on the other hand, follow respectively the executive instructions issued by the State Government of Assam and the instructions issued by the Government of India. It has, no doubt, been claimed by the Finance Ministry's representative that even those States which have only framed rules governing relief operations have been regulating their expenditure on the basis of well-established norms and that there was, therefore, no reason to suppose that the absence of codes and manuals had been responsible for the excessive expenditure on relief during the Fourth Plan. Nevertheless, judging from the instances cited by Audit (which have been discussed in detail in a latter section of this Report) of lack of advance preparation for dealing effectively with natural calamities, infructuous expenditure, etc., the Committee cannot help feeling that a proper and systematic codification or manualisation of the norms and principles governing the regulation and monitoring of relief

operations and expenditure might have, perhaps, improved matters and ensured better results. They, therefore, desire that the Central Government should take up suitably with the State Governments concerned the question of bringing out, without further loss of time, necessary famine codes and scarcity manuals containing well-defined criteria and clearly laid down procedures for the conduct of relief operations.

2.43. The Committee have been informed that some State manuals and codes were brought out a "very long time ago" (in Tamil Nadu, for instance, the Famine Code as it was in force prior to 1947 is still in vogue, which has, in turn, been adopted in the Andhra region) when the emphasis on relief operations as well as the socio-economic conditions of the people were different. While some State Governments are stated to have modified these manuals from time to time to suit the changing circumstances, the representative of the Finance Ministry conceded during evidence that in view of the fact that people today expected a greater degree of assistance and relief than they were satisfied with fifteen years ago and Government were also inclined to extend more specific assistance like supply of seeds, provision of fortified food for children, etc. for ameliorating distress from natural calamities, the internal codes of the States "have to be brought uptodate to enable full use to be made" of the forms of assistance now available. This underscores the urgent need for a review of the provisions contained in the famine codes or scarcity manuals of various States and their revision in the light of the changed circumstances and in order to obviate the need for ad hoc measures in items of distress.

2.44. That the existing provisions and procedures in some States are not comprehensive or adequate is also evident from the innumerable instances cited by Audit of variations between the procedures outlined in the manuals and those actually followed, of different norms adopted for the assessment of scarcity conditions, absence of criteria for assessment of the existence and extent of distress, etc. For instance, as has been pointed out elsewhere in this Report, the Government of Rajasthan have not prescribed the criteria on which scarcity conditions are to be assessed. Similarly, the Government of Uttar Pradesh and Karnataka have also not laid down the basis to be adopted in determining the existence and extent of distress. Again, in Orissa, Collectors were authorised to select areas for starting relief operations on certain principles which were changed from time to time. The Committee would, therefore, recommend that the matter may be pursued with the State Governments so as to have their famine codes and scarcity manuals updated to provide suitably for the changes in emphasis that have taken place in recent times so that the forms of relief and assistance available are precisely identified and the people also

know what assistance they can look forward to in the event of natural calamities.

2.45. The instances highlighted by Audit also bring into sharp focus the desirability of evolving uniform criteria and norms for the conduct of relief operations in various States. While the Committee concede that it might be impractical to insist on absolute uniformity in the procedures and norms adopted for relief operations, since the magnitude and complexities of relief problems are stated to vary widely between different States, they are nevertheless of the view that it should be possible and also necessary to impart a certain degree of uniformity at least in regard to the basic premises governing relief operations and expenditure. For instance, the criteria for determining the nature and extent of a calamity and assessing scarcity conditions, in respect of which there appears to be no uniformity at present, should well be amenable to uniformity. Similarly, it should not be too difficult to prescribe specific and uniform criteria for extending relief to the affected population. This would ensure that people in these States which apply stringent criteria for regulating relief operations are not discriminated as compared to those in States applying more liberal criteria and norms in this regard and eliminate disparities in the determination of scarcity conditions and in the matter of extending relief.

2.46. That the question of evolving a more unified set of codes and manuals had been agitating also the Central Government is evident from the fact that a background paper containing guidelines for relief of distress caused by natural calamities, prepared in consultation with the Finance Ministry and the Planning Commission, had been circulated in December 1973 by the Department of Agriculture to the State Governments for their consideration and further discussion. The proposal, however, was not followed up as the State Governments had not evinced much enthusiasm for Central guidance in this field. In this context, it was stated by the representative of the Finance Ministry that while that Ministry did not have any fixed views on this question, they felt that with the changes introduced in the pattern of Central assistance from April 1974, according to which the Centre's new role was only to provide finance for accelerated Plan schemes under a well-defined pattern, the need for a uniform famine code was no longer a matter of urgency. It has also been contended that as the question of providing relief in times of distress was essentially the States responsibility, the Central Government's intervention in this regard was hardly necessary. The Committee are, however, unable to accept these pleas. **First, the mere fact that the pattern of Central assistance has been changed does not materially affect the position in view of the fact that Central financing of the States' expenditure on relief is only one aspect of the**

whole gamut of relief administration. Besides, if as stated now, the need for uniform guidelines had disappeared, it is some what difficult to reconcile the subsequent revival of the proposal in January, 1976, when a slightly modified version of the earlier background paper had been circulated to the State Governments for appropriate action. As regards the argument that relief of distress is essentially the responsibility of the State Governments, the Committee are of the view that the Central Government also has an important role to play in this regard and it cannot absolve itself entirely of all responsibility in what is essentially a gigantic national task. Rather than adopting a purely legalistic stand on this question, the Centre should take the lead and evolve a set of guidelines and principles. Since an exercise in this regard has already been carried out by the Central Government, it should not be too difficult to meet the Committee's desire on this important issue by conclusively following it up with the State authorities so as to have agreed guidelines and principles for dispensing relief to the people in times of floods, drought and other natural calamities.

CHAPTER III

EXTENT AND NATURE OF CALAMITIES

Audit Paragraph

3.1. In most States, no systematic procedure seems to have been followed of district officers' reporting on the drought, flood or cyclone, with full details collected from different sources checked by senior officers and leading, in turn, to an assessment by the State Government on the nature of the calamity, its severity, areas affected and decisions on the type and quantum of assistance required. Mostly, reports were either not received from district officers or if received were incomplete; instances of wide variations in the information collected by different district officers were also noticed. Decisions by State Governments were not always based on information contained in reports of districts and other officers. Statistics of rainfall, crop production, etc. compiled by various authorities also indicated, on a few occasions, a situation different from the assessment on which relief measures were initiated. In actual implementation, relief measures were sometimes implemented in areas not identified as affected by the calamity. * * * * *

3.2. *Maharashtra*.—The Collector, Ratanagiri, recommended in December 1972 that scarcity need not be declared in any village in his district because attendance on works under the Employment Guarantee Scheme and test relief works was poor and that many depended to large extent on remittances from relatives working in adjacent areas (including Bombay and Poona). Scarcity conditions were nevertheless declared in 351 villages and relief works were started on which Rs. 24.75 lakhs were spent in 1972-73 and 1973-74. Government stated that it had been concluded at a high level after discussion with the Collector and some Members of the Legislative Assembly that the Collector's assessment was not factually correct. Even in May 1973, which was the worst period, labour attendance on relief works in those villages according to the Collector was less than a sixth of what was contemplated. Government, in reply, have stated that labour attendance was not only dependent on the degree of distress but also on the organising capacity of the Collector and implementing agencies and availability of works within a reasonable distance from the affected villages.

3.3. *Andhra Pradesh*.—Collectors had not sent reports till July 1971 of any impending drought, when the State Government called for special

reports as it was felt by Government that the situation demanded special measures for organising relief works and also to assess justification for seeking Central assistance. Consequently, in August 1971 Collectors of all the 21 districts submitted reports, all of them reported drought based on deficiency in rainfall in August 1971 and on crop conditions.
 * * * * * rainfall data and estimates of acreage sown as given in the reports submitted by certain Collectors, differed significantly from the data collected by the State's Bureau of Economics and Statistics.

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3.4. It may be mentioned that the Central study team which visited the State in February 1973 had observed that out of 5 lakh persons receiving employment under relief works, 1.82 lakh persons were employed in areas which could not be considered as drought affected.

3.5. *Madhya Pradesh*.—As in Andhra Pradesh, the initiative was often taken by the Government headquarters. For instance, in October 1970, the Revenue Department asked for a report from the Collector, Jhabua, because legislators had informed the Chief Minister, in September 1970, of damage to the kharif crops consequent on floods in September 1970. The Collector reported that relief measures would be justified in 359 villages of one tehsil, for which he asked Rs. 15.60 lakhs. Eventually, Rs. 6.42 lakhs were spent till March 1971. A similar report was asked for from the Collector, Durg, in March 1971 as the Chief Minister had received information that scarcity conditions had developed in some areas of the district, because the 1970 kharif crop had been damaged. The Collector reported in April 1971 that relief measures were justified in 32 villages, for which he proposed to spend Rs. 19.55 lakhs.

3.6. In 1972, no formal reports of drought as contemplated in the Manual had been received from Collectors till 4th August 1972, when Government convened a meeting of Divisional Commissioners, where certain measures for water conservation were decided upon and relief funds were allotted *ad hoc* to all districts. Thereafter, Government asked the Commissioners to start relief works and to send formal proposals; Collectors were also asked (between August and November 1972) to take action on relief measures and furnish information including *inter alia* the village-wise assessment of the kharif harvest. Eventually, as reports were not received or if received were incomplete, the Collectors were asked on 29th November 1972 to depute officers who dealt with relief, to Bhopal so that information could be compiled in time to be placed before the Central team which was expected. The Collectors reports assessing scarcity and recommending relief measures were received later.

3.7. In October 1972, the State Government amended the criteria for identifying affected areas. The need for relief works could now be assessed also against the background of unemployment or substantial migration of labour in search of work, even if the annawari was more than 6 annas. If any one of these conditions was present, the Collector could open relief works at his discretion. Consequently, relief works were started in 11 districts which were not affected by scarcity, according to a list of affected areas in 19 districts compiled in the Revenue Department in the first week of October, 1972. Neither from reports available in the Revenue Department nor from records available in the districts test-checked, was it possible to ascertain (except in Durg where some data had been collected) the data and norms with reference to which the Collectors had decided that one or more of the new criteria was or were present.

* * * * *

3.8. *Gujarat.*—* * * * * For 1972-73, review of records in five districts test-checked showed that, as in Madhya Pradesh and Andhra Pradesh, it was the State Government which in August 1972 had called for reports on distress from the district officers. Reports submitted were incomplete; for instance, reports did not show the annawari of the previous years. This was important as in Gujarat scarcity is declared mainly on the annawari of the year but after noting the annawari of the preceding two years. It may be mentioned that the harvest in the crop years 1970-71 and 1971-72 had been good in the State as a whole.

* * * * *

3.9. In Panchamahals district, the Collector had reported in October 1972 that there was no scarcity in the district, with which assessment Government had agreed. In November 1972, the Director of Relief suggested declaration of scarcity in that district mainly on the ground that relief works could be started to prevent the traditional migration of labourers from the district and Government declared scarcity in December 1972 in 1,185 villages.

3.10. The State Manual also provides that the Collector should start test relief works when he thinks that there is distress to gauge the extent and intensity of distress in different areas. In districts where records were test-checked, it was seen that test relief works were not started at all or were started in certain taluks but not in others. From no district were final reports of attendance submitted to Government before scarcity was declared.

3.11. *Karnataka*.—South Kanara, North Kanara and Coorg districts were not affected in any years. In 1969-70, 56 taluks of 16 districts, in 1970-71, 57 taluks of 10 districts and in 1971-72, 106 taluks of 15 districts were reported to be affected. In 1972-73, 131 taluks of 16 districts were reported to have been affected till December 1972. After the monsoons in 1972, relief measures continued in 38 taluks (all 26 taluks in Bidar, Gulbarga and Bijapur districts and 6 taluks each in Belgaum and Raichur) which were still drought affected. In January 1973, the State Government considered that relief measures were necessary for those 38 taluks only. In February 1973, however, forty-one more taluks were added (the entire districts of Bellary, Dharwar, and Chitradurga and 7 more taluks in Belgaum and Raichur). The addition was made, it was explained, after intensive touring by the Ministers and a re-appraisal by a Cabinet sub-committee, after taking into account factors like rainfall, crop yield, water table and extent of un-employment. The Central team which visited Karnataka in 1973 recorded, *inter alia*, that—

“It has, however, not been possible to find sufficient justification for the extension of the area in which relief measures were to be taken particularly in view of the fact that after the visit of the second Central team, the agro-climatic conditions did not deteriorate in this area. In fact most of the Rabi harvesting has already been completed. Nevertheless, the team decided to recommend the regularisation of relief expenditure incurred in the additional taluks also”.

3.12. It was indicated that expenditure in these 41 taluks from January to May 1973 was Rs. 115 lakhs; expenditure from June to September 1973 could not be ascertained.

3.13. *Orissa*.—

* * * *

Till 1972-73, Government did not declare or demarcate areas where relief was to be given. Collectors were authorised to select areas according to certain principles which were changed from time to time. * * *

3.14. *West Bengal*.—Floods were reported every year from 1968 to 1971 in 9 to 13 districts. In 1972, drought was reported from 14 districts and slightly later, floods in 8 districts. In 1973, floods were reported in 5 districts. Chronic drought prevails in Bankura (except in 1973-74) and Purulia districts, being reported every year but no records were available with either the Collector of Bankura or the State Government to show that reports on the onset of drought or fortnightly reports on rainfall, state of the crops, etc., which form the basis for such assessments were prepared or submitted to Government. Neither was information available in the Collectorate regarding rainfall or assessment of the crop. The Collector of Purulia had submitted such

reports in 1969, 1970 and 1972 but these were lacking in material particulars, including the area affected and damage to crops. Generally from records made available, it seemed that neither was watch kept (required by the Manual) over trends; for example, of rainfall, acreage cultivated, agricultural operations, wages, food-grain prices, etc., nor was information collected and analysed when drought was impending, or a flood had occurred. Thus, as far as could be ascertained, the State Government decided on the amounts of money to be provided and the relief measures to be undertaken without the help of this information. Rupees 24.92 lakhs were spent in Nadia on relief measures in 1968-69 and 1969-70 though according to the District Magistrate, there was no flood* in that district in these years. Again, though the Deputy Commissioners of Cooch Behar and Jalpaiguri did not report drought in 1972-73, the State Government allotted Rs. 103.05 lakhs to these two districts for drought relief. In Jalpaiguri, the amount was spent on relief of distress caused by storms and cyclones, which, however, had not been reported to the State Government.

3.15. Perhaps, as a consequence of the inadequacy of the reporting system there were wide variations between the report of the areas affected by flood, population affected, damage to crops, houses, etc., furnished by different authorities, * * *.

These discrepancies could not be reconciled. (October 1975).

3.16. *Bihar*.—The State Government had assessed in October 1971, that because of excessive rains and floods from June 1971 onwards, 232 blocks were fully affected and 60 partially affected in 13 per-organised districts. Review of records in Purnea where 31 blocks were declared as fully affected, showed that complete data required to assess the intensity of distress like the rising level of rivers, the locations where they rose abnormally, the number of villages affected, actual areas sub-merged, number of people affected or evacuated from each flooded village, etc. were neither sent to Government nor recorded in the district office. In the same year, Government declared Rafiganj, Imamganj, and Dumaria blocks in pre-reorganised Gaya district as partially affected but these blocks were not included in the lists of affected blocks in the reports of the Sub-Divisional Officers and the Collector. Similarly, Tekarij and Arwal blocks were declared as fully affected, but, according to the Collector's report of November 1971, only 17 per cent and 27 per cent respectively of the area of these blocks were affected.

*The State Government intimated (November 1975) that according to the District Magistrate's report (26th August 1975), there were floods in that district in 1968-69. The State Government had also mentioned in its memorandum to the Central study team that Nadia was affected by floods in 1969-70.

3.17. In 1972, twenty-seven Sub-divisions and 34 blocks (in 11 districts as they were before reorganisation) were identified as drought affected. Amongst others, 9 blocks in 3 Sub-divisions of Palamau district were declared in November 1972 as badly affected by drought. According to figures obtained from the District Statistical Office, rainfall in July and August 1972 in three of those nine blocks was, however, more than normal during two months. The acreage under crop damaged in the drought of 1972-73 in Purnea District as shown in the Collector's report exceeded the figures of normal and actual acreage sown under paddy, maize and jute as per the records of the Agriculture Department.

3.18. According to the State Government's Report of November 1972, there was no drought in Ranchi, Singhbhum and Dhanbad districts or in the old districts of Muzaffarpur, Saran and Champaran. Nevertheless, Rs. 2.16 crores were reported to have been spent by district officers on relief measures, of which Rs. 1.88 crores were spent on hard manual labour schemes (work to give relief employment to unskilled workers).

3.19. *Uttar Pradesh*.—During the five years (1969—74), Rs. 49.70 crores were spent on relief measures. Floods were reported from 50 districts in 1969-70, from 47 districts in 1970-71, from 51 districts in 1971-72 and from 39 districts in 1973-74. Drought was reported in 1960-70 from 8 districts, in 1972-73 from 42 districts and in 1973-74 from 24 districts. Out of 54 districts, fifty were affected by floods, while 8 districts were affected by drought in 1969-70. In 1973-74 also, 39 districts were affected by floods and twenty-four by drought. Four districts in 1969-70 and nine in 1973-74 were affected by both floods and drought in these two years.

3.20. In 1972-73, the Central study team had concluded on data furnished by the State Government, that 12 districts were not seriously affected by drought. Consequently, in October 1972, Rs. 170.00 lakhs were allotted to the Public Works Department for expenditure on relief works in 42 districts out of 54 districts in the State. In December 1972, the State Government decided that relief works should be started in the other 12 districts too. Eventually, relief works were started in 10 districts (of these twelve) on which Rs. 43.82 lakhs were spent by the Public Works Department.

3.21. Between October and December 1972, the Irrigation Department was allotted Rs. 168 lakhs for relief works which were started in 46 districts. No relief works were started in six of the 42 districts earlier identified as drought affected, but were started in ten districts not included therein. In those ten districts, Rs. 43 lakhs were spent by the Irrigation Department on relief works.

3.22. In 1973-74, the State Government had identified 24 districts as drought affected, but the Central study team had recommended, in August 1973, relief operations in 12 districts. In actual fact, the Irrigation Department executed relief works in 45 districts of Uttar Pradesh and Panna district of Madhya Pradesh. The works taken up in Panna district were on the Ken Canal system which extended to Panna district but its administrative control vested in the Uttar Pradesh Irrigation Department. These 45 districts did not include 5 districts considered as badly affected by drought and included in the Central team's list of 12 districts, and State Government's list of 24 districts. Of Rs. 133.84 lakhs spent on relief works in 1973-74, Rs. 85.30 lakhs were spent in 39 districts not included in the team's list.

3.23. The circumstances in which relief operations were extended to districts not earlier identified as drought affected or no relief works were started in districts which were so identified, were not clear.

3.24. *Rajasthan*.—Collectors of some districts (where records were test-checked) submitted widely differing reports of the drought and its effects, sometimes within a few days of each other. On the other hand, the State Government did not always declare scarcity on receipt of their reports nor initiate relief measures (apart from suspending collection of revenue and loans and sometimes allotting funds for drinking water) immediately after declaring scarcity.

3.25. The basis on which scarcity was to be assessed in a village or an area, had not been prescribed by the State Government. The criterion generally adopted for declaring scarcity was damage of 50 per cent or more to the crops as reported by the Tehsildars and endorsed by the Collectors.

3.26. The overall loss of the kharif crop in 1972-73 scarcity year was estimated to be 20 lakh tonnes whereas the actual loss turned out to be only 8.76 lakhs tonnes. It may be mentioned that the Central study teams had commented (in May 1970 and November 1972) on the lack of a clear basis for assessing scarcity and the need for the State Government to be more selective in declaring scarcity.

3.27. *Assam*.—The reports of areas affected, population affected, damage to crops, cattle lost, houses damaged, etc., furnished by Sub-Divisional Officers, Sub-Divisional Agricultural Officers, Sub-Deputy Collectors, Block Development Officers and Presidents of Panchayats differed widely. Similarly, different figures of damage were reported by the same officer for the same item on different occasions. The State Government had to decide on such data how much funds were to be provided and what relief measures were to be undertaken.

3.28. *Manipur*.—In this State, drought was reported in 1972-73. During the five years 1969—74, Rs. 62.84 lakhs were spent on relief measures.

3.29. In August 1972, the State Government assessed loss of Rs. 0.96 lakh tonnes of rice and fruits worth about Rs. 120.50 lakhs because of insufficient rainfall during the 1972 monsoon. Population affected was estimated at 6.43 lakhs out of the total population of 10.73 lakhs. To provide relief, the State Government had then assessed that Rs. 385 lakhs would be required. No reports from field officers were available nor was there any record to show that assessment was made on the basis of any data. The Central study team which visited the State in March 1973, recommended a ceiling of Rs. 55.70 lakhs for relief measures in 1972-73 and 1973-74. The State Government scaled down the requirements in April 1973 for relief measures to Rs. 59.70 lakhs. Incidentally, while drought was reported in August 1972, relief works were started in February 1973.

[Paragraphs 4.1, 4.2.4, 4.3.2, 4.3.7, 4.4.2 to 4.4.5, 4.5.1 to 4.5.3, 4.6.2, 4.7.4, 4.8.2, 4.8.3, 4.9.2, 4.9.3, 4.10.1 to 4.10.5, 4.11.2, 4.11.5, 4.14.3, 4.15.1 and 4.15.2 of the Report of the Comptroller and Auditor General of India for the year 1973-74 (Part I), Union Government (Civil)].

A. Deficiencies in the Reporting System

3.30. Determination of extent of natural calamities and scale of relief measures necessary to relieve the distress caused as a result thereof presuppose a sound reporting system backed by reliable statistics. Audit paragraph states that the existing reporting system suffers from the following deficiencies:—

- (i) In most States, no systematic procedure seems to have been followed of district officers reporting on the drought, flood or cyclone, with full details collected from different sources checked by senior officers and leading, in turn, to an assessment by the State Government on the nature of the calamity, its severity, areas affected, and decisions on the type and quantum of assistance required.
- (ii) Mostly, reports were either not received from district officers or if received were incomplete;

- (iii) Instances of wide variations in the information collected by different district officers were also noticed (*e.g.* Andhra Pradesh, West Bengal, Bihar, Rajasthan and Assam).
- (iv) Decisions by State Governments were not always based on information contained in reports of district and other officers. (*e.g.* Andhra Pradesh, Madhya Pradesh, Gujarat, and Karnataka, Maharashtra).
- (v) Statistics of rainfall, crop production, etc. compiled by various authorities also indicated, on a few occasions a situation different from the assessment on which relief measures were initiated.
- (vi) In actual implementation, relief measures were sometimes implemented in areas not identified as affected by the calamity (Andhra Pradesh, West Bengal, Karnataka, Uttar Pradesh).

3.31 The Committee desired to know if the Government of India were aware of the aforesaid deficiencies in the existing system of reporting of calamities and if so, what steps were taken to remedy the situation. In reply, the Ministry of Finance have stated:

“Provision of relief in areas affected by natural calamities being the responsibility of the State Governments, it is for the State Governments concerned to devise a system of collection of details at the time of occurrence of natural calamities. Even though, there may have been deficiencies in the existing system of reporting, in so far as the Central Government is concerned uniformity used to be ensured through the media of the Central Teams. In case any discrepancy is noticed between figures sent by the district officers and others, the same is brought to the notice of the State Government and a firm figure obtained. The figures given in the Memorandum are taken as the authoritative figures from the State Government.”

3.32. The Committee enquired how far it was advisable for Government of India to give central assistance to States on the basis of inadequate and conflicting data. In reply, the Secretary, Ministry of Finance (Department of Expenditure) stated in evidence:

“Discussions take place. The Central Government officers always take the responsibility on themselves in respect of test checking the data from all districts, they do make a general assessment. But, as you know, it is not possible to conceive of a system of prior checks by the Central Government officers of the entire claims of the State Government, it is not possible

under the Constitution and the States would object. It would take years to have check of that kind, and by the time the scarcity would have been over."

B. State-wise Review of Extent and Nature of Calamities.

3.33 A detailed review of the extent and nature of calamities in various States is given in Chapter IV of the Supplementary Report of the Comptroller & Auditor General of India for the year 1973-74 (Part I), Union Government (Civil). The position is analysed below in a tabular form:—

Sl. No.	Date	£Expenditure on relief measures incurred (Rs./crores)	Extent & Nature of calamities				
			1969-70	1970-71	1971-72	1972-73	1973-74
1	2	3	4	5	6	7	8
1. Maharashtra		274.66 (April 1970 to March 1974)	..	Excessive rainfall in 23,052 villages	Irregular rainfall & drought in 11,828 villages	Drought in 25,488 villages	—
Andhra Pradesh		91.73 (April 1969 to March 1974)	Cyclone (in 6 districts mainly coastal areas) in May and Nov. 1969	—	Drought in all the 21 districts	Drought in all the 21 districts & floods in some coastal districts	—
3. Madhya Pradesh		15.99 (1969-74)	Drought (1969)	Floods, rain and hailstorm (1970)	Floods, rain, hailstorm and gall-fly infestation (1971)	Floods, rain hailstorm and drought (1972)	—
4. Gujarat		106.23 (Oct. 1969 Sept. 73)	Drought in 10323 villages (upto Sept. 69)	Drought in 5114 villages (upto Sept. 70)	—	—	Drought in 12592 villages (upto Sept. 1973)
5. Karnataka		58.40 (April. 69 to March 1974)	Drought in large areas	Drought in large areas	Drought in large areas	Drought in large areas	Drought in large areas (upto Oct. 1973)
6. Orissa		19.72 (1969-74)	Floods (1969)	Floods (1970)	Floods and cyclone (1971)	Floods cyclone and drought (1972)	—

£Figures of Expenditure given in this Table are as reported by State Departments to Audit

1	2	3	4	5	6	7	8
7. West Bengal	65.37 (1969-74) (excluding expenditure on repairs to public properties)	Floods in 9 to 13 districts (1969)	Floods in 9 to 13 districts (1970)	Floods in 9 to 13 districts (1971)	Floods in 8 districts and drought in 14 districts (1972)	Floods in 5 districts (1973)	
8. Bihar	40.63 (1969-74)	Floods	Floods	Floods	Drought	Floods	
9. Uttar Pradesh	49.70 (1969-74) drought in 8 districts	Floods in 50 districts, drought in 8 districts	Floods in 47 districts drought in 8 districts	Floods in 51 districts	Drought, 42 districts.	Floods in 39 districts, drought in 24 districts	
10. Rajasthan	171.04 (1969-74)	—	—	Drought	Floods and drought	Floods and drought	
11. Tamil Nadu	30.95 (1969-74)	—	Drought	Drought	Drought, rain, floods and a cyclone between Sept. and Dec. 1972	—	
12. Kerala	5.81 (1969-70 to 1973-74)	Floods	Floods	Floods	Floods	Floods	
13. Assam	8.10 (1969-74)	Floods	Floods	Floods and drought	Two waves of floods	Two waves of floods.	
14. Manipur	2.62 (1969-74)	—	—	—	Drought	—	
15. Tripura	2.37 (1969-74)	—	—	—	Drought	Floods	
16. Nagaland	0.18 (estimated)	—	—	—	Insufficient and erratic distribution of rainfall.	—	

3.34 According to information received subsequently from the Ministry of Finance, the following States have intimated the occurrence of calami-

ties mentioned against each during the years 1974-75, 1975-76 and 1976-77:

State	1974-75	1975-76	1976-77
Assam	Floods	Floods	Floods
Gujarat . . .	Scarcity in 16 districts	Scarcity. Floods heavy rains affected 10 districts.	Cyclone and Storm followed by heavy rains.
Maharashtra . . .	Floods, rains and Landslides	Floods & heavy rains	Flood, Cyclone and heavy rains.
Orissa . . .	Drought (in 296 Blocks)	Flood (in 8 districts) Drought (in all 13 districts)	Drought (in 277 blocks)
West Bengal . . .	Floods and Cyclone (7670 sq. miles affected)	Floods and Cyclone (757 sq. miles affected)	Floods, Cyclone and drought (8032 sq. miles)
Himachal Pradesh . . .	Earth Quake	—	—
Bihar . . .	Floods	Floods	Floods

DROUGHT

Andhra Pradesh

3.35. It has been reported by Audit (Para 3.3) that in Andhra Pradesh, Collectors had not sent reports till July, 1971 of any impending drought, when the State Government called for special reports as it was felt by Government that the situation demanded special measures for organising relief works and also to assess justification for seeking Central assistance. Consequently, in August, 1971, Collectors of all the 21 districts submitted reports, all of them reported of drought based on deficiency in rainfall.

3.36. The reports submitted by certain Collectors, differed significantly from the data collected by the State's Bureau of Economic and Statistics.

For example, according to the statistics compiled by the Bureau of Economics and Statistics of the State Government of Andhra Pradesh, the rainfall in Medak district till 21 August, 1971 was 98 millimetres, the assessment made by the Collector estimated the rainfall to be 35 millimetres only. The variation between the two estimates was 63 millimetres. In the matter of rice sown in Andhra Pradesh, while the Bureau estimated the acreage to be 22.03 lakh hectares in Kharif Season 1972-73,

the Collector's assessment put the acreage sown at 17.77 lakh acres i.e. 4.26 lakh hectares less.

Karnataka

3.37. In Karnataka, drought was reported to have affected 56 taluks of 16 districts in 1969-70, 57 taluks of 10 districts in 1970-71, 106 taluks of 15 districts in 1971-72 and 131 taluks of 16 districts in 1972-73 (till December 1972). After the monsoons in 1972, relief measure continued in 38 taluks which were still drought affected.

3.38. Audit para states that though in their Memorandum to the second Central team which visited Karnataka in January, 1973, Government of Karnataka indicated that relief measures were necessary for 38 taluks only, in February, 1973, 41 more taluks were added (the entire districts of Bellary, Dharwar, and Chitradurga and 7 more taluks in Belgaum and Raichur). This addition, it was explained, was made after intensive touring by the Ministers and a re-appraisal by a Cabinet Sub-Committee, after taking into factors like rainfall, crop yield, water table and extent of unemployment. Expenditure in these 41 taluks from January to May, 1973 amounted to Rs. 115 lakhs. Though the Central team which visited Karnataka in 1973, did not find sufficient justification for extension of relief operations in additional 41 taluks it recommended regularisation of expenditure incurred in these taluks.

3.39. The Committee understand that reports received from the Deputy Commissioners and rainfall statistics of the Directorate of Economics and Statistics had indicated that the actual rainfall was better than normal in 8 taluks, deficient by less than 20 per cent in 16 taluks, deficiency in rainfall was more than 20 per cent of the normal in 20 taluks. The water table in 25 of the 26 taluks in 3 districts (for which information was available) was normal, fluctuations being negligible. The area sown and production were substantially less in 1972-73, than in earlier years in Gulbarga, Bidar and Belgaum; in other districts particularly Chitradurga, Dharwar and Bellary the situation was near normal. The number of persons on relief employment from April to September 1973 when drought in the State was reported to be at its severest, was negligible in Chitradurga and in Dharwar.

3.40. The Committee asked that if the Central Review Team which visited the State of Karnataka in April, 1973 had not found sufficient justification for the extension of the relief operation in 41 more taluks, why was the expenditure of Rs. 115 lakhs incurred during January to May 1973 in the additional taluks regularised. In reply, the representative of the Ministry of Finance stated in evidence that:

“.....as compared to the total size of Karnataka's expenditure, the expenditure that had gone into these 41 taluks is very little.”

3.41. The Committee asked whether it was a fact that the first Central Team did not visit all the affected areas in Karnataka and, therefore, submitted a half-hearted Report recommending relief operations in 38 taluks only and that it was the subsequent Central Team which realised the gravity of the situation and recommended extension of relief operations to another 41 taluks. In reply, the representative of the Ministry of Finance said:—

“We will supply the information.”

3.42. The Ministry of Finance in a note furnished after evidence supplied the following information:—

- “(1) The first Central Team had visited Karnataka from 11th to 14th September, 1972 to assess the drought situation arising out of the failure of the monsoon in kharif 1972. In order to cover as large an area as possible, the team split itself into 3 sub-groups and separately toured six districts, namely, Gulbarga, Bijapur, Belgaum, Mysore, Madhya and Kolar. They visited a large number of relief works of different types and drinking water wells, and had discussions with local officials as well as the representatives of the public. Though the agricultural season in 1972 had started with good rainfall in the months of April and May, 1972, there was no rainfall from the middle of June onwards, especially in the eastern and north-eastern districts of the State. The continuous absence of rainfall for about 6 weeks had created drought conditions in 16 out of 19 districts, the total number of taluks affected either fully or partially being 131. The situation in 1972 was reported to be worse than during the previous year in terms of the extent of damage to the crops sown. For instance, in Bijapur district, only about one-third of the area was sown, while in Gulbarga, it was about half. In Raichur and Belary, the area sown was between 50 to 60 per cent. The Central Team had recommended a ceiling of Rs. 7.75 crores including Rs. 6.25 crores for relief works, for the period ending 31st December, 1972.
- (2) The Second Central Team had visited the State from 22nd to 25th January, 1973. The need for this team's visit had arisen because of the failure of the rabi crop in the 5 northern districts of Bidar, Gulbarga, Bijapur, Belgaum and Raichur. In the memorandum to the Team, the State Government had

stated that acute drought conditions had developed in 38 taluks of these 5 districts. The team toured these districts extensively and covered a distance of about 900 kilometres in 3 days. The team's impression was that the districts of Bidar and Gulbarga were really badly affected and the failure of their main crop (winter jowar) might be about 90 per cent. These two districts were followed by Bijapur where also scarcity conditions were acute, though of a lesser intensity than in Gulbarga and Bidar. In these districts there was scarcity of food and fodder and a rush on relief works. As regards Belgaum, only the taluka of Athari was considered to be really badly affected, while Raichur district was regarded as partially affected. The team felt that the number of villages and the extent of population affected by scarcity conditions would be somewhat lower than the numbers shown in the State Government's memorandum. In accordance with the then policy, the team did not fix any financial ceiling for relief works, but recommended that all expenditures on payment of wages on productive works should qualify for Central assistance. The team had also recommended the setting up of a Review Team which would periodically assess and monitor the expenditure incurred by the State on relief works and made recommendations in regard to their reimbursements.

- (3) Accordingly, a Central Review Team visited the State from 10th April to 13th April 1973 and again from 16th to 19th July, 1973. It also held a meeting with the officers of the State Government in Delhi on the 14th June, 1973. Since this was a Review Team which visited the State to review the expenditures in order to determine the extent of reimbursement, it held detailed discussions with the State officials at Bangalore.
- (4) There was no divergence between the recommendations of the second Central Team and the Review Team. As stated above, in the memorandum given to the second Central Team, the State Government had indicated the number of drought affected taluks as 38. But subsequently, on their own, the State Government had extended the drought operations to 41 more taluks, including 3 more districts of Chitradurga, Dharwar and Bellary. The Review Team had noted this action of the State Government and had held detailed discussions with the State officials in this regard. The State Government explained that though crop conditions in the month of January were quite satisfactory, they were severely affected by

drought at the time of harvesting with the result that only fodder and not grain was actually harvested. The Team did not, however, find sufficient justification for the extension of the area in which relief measures were to be undertaken. But since the State Government had incurred the expenditure, and Central support was to be restricted only to the wage component. The team recommended the regularisation of the relief expenditure incurred in the additional 41 taluks also as a special case. For the same reason, the Team had recommended the regularisation of the excess expenditure on the wage component of the relief expenditure incurred upto 31st December 1972 also in the areas covered by the recommendations of the first Central Team, although, as stated earlier, the first Central Team had recommended a ceiling of Rs. 6.25 crores for this purpose. The Team which consisted of the representatives of the Planning Commission and the Finance Ministry were fully aware of the overall financial situation of the State at that time. In recommending the regularisation of the actual expenditure incurred on the wage component of the relief works, they were presumably guided by the straitened financial circumstances of the State Government."

- (5) The Government had accepted the recommendations of the Team keeping in view the financial position of the State Government."

3.43. It is understood from Audit that the State Government of Karnataka did not call for detailed reports from the Deputy Commissioners before adding 41 more taluks in February, 1973. It was only when some doubts were expressed by the Central Team which visited the State in April, 1973, about justification for addition of 41 taluks, that the State Government called for detailed reports from the Deputy Commissioners of Raichur, Dharwar, Bellary and Chitradurga districts.

West Bengal

3.44. In West Bengal, though the Deputy Commissioners of Cooch Behar and Jalpaiguri had not reported drought in 1972-73, the State Government allotted Rs. 103.05 lakhs to these two districts for drought relief. In Jalpaiguri, the amount was spent on relief of distress caused by storms and cyclones which, however, had not been reported to the State Government. The Government of West Bengal are understood to have explained to Audit in November 1975 that though there was no acute drought during 1972-73, the standing crops like early-sown Aus and Jute in these two districts were completely affected due to continuous dry spell and untimely

ly rainfall. That is why the State Government had to allot funds for relief operations in these two districts according to necessity.

Uttar Pradesh

3.45. In 1973-74, Government of U. P. identified 24 districts as drought affected, but the Central Study team had recommended, in August, 1973, relief operations in 12 districts. In actual fact, the Irrigation Department executed relief works in 45 districts of U.P. and Panna district of Madhya Pradesh. Audit have pointed out that these 45 districts did not include 5 districts considered as badly affected by drought and included in the Central Team's list of 12 districts and the State Government's list of 24 districts.

3.46. The Committee enquired if Government of India were aware of the aforesaid facts. The Ministry of Finance explained in a note that:

“When the Central Monitoring team visited the State again, it has noted that the State Government had taken up test relief works in a few districts which had not been considered drought/flood affected districts by the earlier team. On the basis of a review of the situation, the Monitoring Team felt that the expenditure incurred in these districts also should be eligible for central assistance.”

Rajasthan

3.47. In Rajasthan, Collectors of some districts (where records were test checked) submitted widely differing reports of the drought and its effects, sometimes within a few days of each other. On the other hand, the State Government did not always declare scarcity on receipt of their reports nor initiated relief measures immediately after declaring scarcity.

3.48. Government of Rajasthan have explained that on their part, the State Government did not automatically declare scarcity on the receipt of these reports (of district collections) nor started relief measures soon after declaration of scarcity. As for delay in declaring scarcity, the State Government has explained that on receipt of final scarcity reports, the relief department examined them in detail and declaration of scarcity was made when the administrative department and Finance Department were satisfied that the damage to crops of the requisite order (50 per cent or more) had occurred and the situation warranted such declaration.

3.49. The Committee understand that no authority prescribing the basis for declaring scarcity conditions was made available to Audit. The

Central Study Team (November 1972) had also pointed out that the basis on which villages were declared as scarcity affected was not clear.

Manipur

3.50. As stated in the Audit paragraph, drought was reported in Manipur in August, 1972, relief works were undertaken in February, 1973 and the Central Study Team visited the State in March, 1973. The Committee, therefore, enquired as to why the Central Team was deputed to that State six months after occurrence of the calamity. Explaining the reasons for delay, the Ministry of Finance stated in a Note that:

“Before a Central team visited a State to assess the drought situation and requirement of funds, it was necessary for the State Government themselves to assess the extent of damage, prepare relief plans, estimate the requirement of funds, etc. Memorandum containing these details was received from the Government of Manipur, with their letter of 23rd December, 1972. On receipt of the necessary information, visit by Central team to the State was fixed from 5th to 9th February, 1973 but it had to be postponed due to unavoidable reasons. The team, therefore, visited the State from 5th to 7th March, 1973.”

FLOODS

West Bengal

3.51. As per District Magistrate's Report to Government, the flood of 1970-71 in the Nadia district of West Bengal had affected an area of 1,460.76 sq. kms. and a population of 5.60 lakhs. The information furnished by Government to Audit (April, 1974) however indicated that floods had affected an area of 2,543.85 sq. kms. and population of 7.29 lakhs. Variations in reports of Deputy Commissioner and District Agricultural Officer of Cooch Behar district in the matter of crop area affected in the years 1968-69, 1970-71 to 1972-73 were also noticed. Instances of variations in reports on damage to houses in Malda district during these years also came to light.

3.52. The Government of West Bengal are stated to have explained that Statistical data relating to the nature and extent of damage caused by a calamity was obtained from the District Officer concerned. After the emergency relief operations were over, the State Government also collected comprehensive and final reports about the damage for submission to different authorities. It was, however, explained that it was not possible for the State Relief Department to reconcile the discrepancies in the figures obtained by Audit from other sources, though State Government had

earlier stated (June 1975) that variations in the statements of facts made by district authorities would be reconciled. The Committee were informed that on 26th August, 1968, the District Magistrate, Nadia had sent a Radiogram confirming the existence of floods in 1968-69 but stating that there were "no floods in the district during second phase."

3.53. It is understood from Audit that State Government had informed them in December, 1975 that the District Magistrate was being asked to clarify the position. On 1st July, 1976 the Relief and Welfare (Relief) Department of Government of West Bengal wrote to the District Magistrate asking why during the visit of the Audit Party of the AG, West Bengal it was reported to them that no floods occurred in the district during the years 1968-69 and 1969-70 when according to the Radiogram of 26th August 1968 from the D.M. Nadia, floods did occur in 1968-69 and damages caused by floods during 1969-70 were reported by concerned Departments. On 28th September, 1976 Government of West Bengal informed the Ministry of Finance *inter alia* that "Report from District Magistrate Nadia in the matter is still awaited inspite of issue of three reminders."

3.54. As the matter was not free from doubt, the Committee enquired how was it that conflicting reports about existence of floods in Nadia District (West Bengal) in 1968-69 and 1969-70 had been given by the District Magistrate to the State Government and whether Government of India had taken up the matter with the State Government to clarify the position. In reply, the representative of the Ministry of Finance (Department of Expenditure) during evidence quoted the West Bengal Government's communication dated 3 November, 1975 as follows:

"D.M. Nadia's report (copy enclosed) will corroborate that actually there were floods in the district in 1968-69. Regarding 1969-70, although the D.M.'s report is not readily available, the Memorandum submitted to the Central Study Team by the State Government for that year (copy enclosed) will reveal that Nadia was actually affected by floods during that year."

3.55. The Committee were not supplied with a copy of the Report of the District Magistrate, Nadia about existence of floods in 1969-70. The Committee, therefore, asked if the Government of India had tried to ascertain factual position directly from the District Magistrate, Nadia District to get at the root of the matter, the witness maintained that the Central Government "cannot deal with the collectors of the States" and that they "cannot challenge the State Government on the basis of reports of the

lower formations". According to him, "The dialogue between the Centre and the States rests on the information furnished by the State Governments, supplemented by the impressions of Central teams based on visits to the areas affected by natural calamity."

Bihar

3.56. In Bihar, 27 Sub-divisions and 34 blocks (in 11 districts as they were before re-organisation) were identified as drought affected. Among others, 9 blocks in 3 Sub-divisions of Palamau district were declared in November 1972 as badly affected by drought. According to figures obtained from the District Statistical Office, rainfall in July and August 1972 in 3 of those 9 blocks, was, however, more than normal during two months.

3.57. The acreage under crop damaged in the drought of 1972-73 in Purnea District as shown in the Collectors' report exceeded the figures of normal and actual acreage sown under paddy, maize and jute as per the records of the Agriculture Department. For example, while paddy was, according to the records of the Agriculture Department, sown over an area of 892.9 thousand acres, damage to paddy crop as reported to Government by the Collector was 1413.3 thousand acres.

3.58. Explaining the position, the Government of Bihar have stated that it seemed more likely that in this case the realistic situation reports of local officers had not been updated. Moreover often the reports of Collectors were incomplete and Government were obliged to take decisions on the assessment of situation made by the officers of the administrative department concerned and the Ministers in the course of their tours of the affected areas.

3.59. The Committee find that the existing system of reporting the nature and extent of natural calamities suffers from a number of deficiencies. In most States no systematic procedure seems to have been followed by district officers reporting on the drought, flood, cyclone, with full details collected from different sources checked by senior officers and leading, in turn, to an assessment by the State Government on the nature of calamity, its severity, areas affected, and decisions on the type and quantum of assistance required. It is observed that mostly reports were either not received from district officers or if received were lacking in essential details. There were wide variations in the information collected by different district officers or even by the same authority on different occasions. Quite often, the initiative for declaring scarcity or starting relief operations came from the State Governments and not from district officers who are expected

to watch, assess and report. The Committee have also noted that decisions by State Governments were not always based on information contained in reports of district and other officers. Statistics of rainfall, crop production, etc. compiled by various authorities were, on a few occasions, different from the assessment on which relief measures were initiated. In actual implementation, relief measures were sometimes implemented in areas not identified as affected by the calamity. The States where some of these deficiencies have been noticed are Andhra Pradesh, West Bengal, Rajasthan, Bihar, Gujarat, Madhya Pradesh, Karnataka, Uttar Pradesh and Maharashtra. Commenting on these deficiencies the Ministry of Finance have observed "Even though there may have been deficiencies in the existing system of reporting, in so far as the Central Government is concerned uniformity used to be ensured through the media of Central teams". They have also pointed out in this connection that as relief of distress caused by natural calamities is the responsibility of the State Governments, the figures given in the Memorandum submitted by State Governments to the Central teams are taken as authoritative and that if any discrepancy is noticed between the figures sent by district officers and others, the same are, the Committee have been assured, brought to the notice of the State Governments concerned and a firm figure obtained.

However, if the specific instances of discrepancies in the extent and nature of calamities reported by different agencies highlighted in the Audit Report are any indication, the situation does not appear to be entirely satisfactory and suitable corrective measures seem necessary. stressing the national importance of the subject, the Committee would recommend that the Central Government should take the initiative and ensure that a system is devised by which natural calamities and their extent as well as the relief measures necessary are reported upon with the utmost expedition and in as accurate manners as possible so as to enable prompt and appropriate measures being taken to alleviate distress.

CHAPTER IV RELIEF WORKS

Audit Paragraph

4.1. Of Rs. 924.22 crores spent on relief measures during the five years April 1969 to March 1974, Rs. 671.14 crores were spent on relief works.

4.2. The expenditure on relief work is analysed below according to the kinds of works on which the nine States spent those amounts:—

(Rs. in crores)

Name of the State	Roads including metal breaking	Irrigation	Soil conservation	Afforestation	Others	Total
Maharashtra (A)	140.19	27.49	25.67	..	39.68	233.03
Rajasthan . . .	91.12	32.61	7.27	5.04	9.00	145.04
Gujarat (B)	9.63	15.79	1.94	..	1.89	29.25
Andhra Pradesh (C)	11.22	6.59	0.07	0.32	4.81	23.01
West Bengal (F)	15.28	..	..	..	..	15.28
Karnataka . . .	26.67	14.23	7.27	..	4.12	52.29
Orissa (E)	16.52	..	..	..	..	16.52
Uttar Pradesh (D)	5.47	1.58	0.40	..	1.31	8.76
Bihar (E)	20.68	..	..	..	..	20.68
GRAND TOTAL	336.78	98.29	42.62	5.36	60.81	543.86

(A) Break-up for 1970-71 to 1973-74 (upto 30th September 1973). Break-up for 1969-70 and for the period succeeding 30th September 1973 is not available.

(B) Break-up available for only five districts.

(C) Break-up available for only six districts from 1971-72 to 1973-74.

(D) Break-up available for only 10 districts.

(E) Details not available.

(F) Break-up not available.

4.3. The object-wise analysis of the expenditure relief measures in the nine States which spent largest amounts was as follows:

(Rs. in crores)

Name of the State	Relief works	Gratui- tous relief	Other measures	Total
Maharashtra (A)	206.84	1.94	6.54	215.32
Rajasthan	145.04	8.20	17.80	171.04
Gujarat	73.51	3.00	29.72	106.23
Andhra Pradesh	74.14	Nil	17.59	91.73
West Bengal	15.28	27.88	22.21	65.37
Karnataka	52.29	1.85	4.26	58.40
Orissa	16.52	8.13	25.07	49.72
Uttar Pradesh	18.68	29.77	1.25	49.70
Bihar	20.68	18.28	1.67	40.63
GRAND TOTAL	622.98	99.05	126.11	848.14

(A) Break-up of expenditure for the years 1969-70, 1970-71 and 1971-72 was not available in respect of Maharashtra State.

4.4. It would be seen from the above that there were wide inter-State variations in the object-wise shares of the expenditure.

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4.5. It was seen, generally, that except very small works which were mainly repair or renovation of existing assets, most works started were left incomplete at the end of relief operations. Some were also abandoned mid-way for various reasons including technical infeasibility, disputes regarding land and shortage of labour.

Funds which should have been allotted on the basis of the number of works approved, the anticipated duration of the operations and the number of persons requiring employment, were in certain States allotted *ad hoc* in some States even without any requisition by district officers and in certain others without any visible relationship to the extent of distress.

4.6. Within the funds allotted by Government from time to time; the Collector in Gujarat is empowered to sanction works as proposed by the District Panchayat. In Rajasthan, Government approves each work in-

dividually though funds were allotted *ad hoc*. In other States, powers to approve works, subject to certain financial limits prescribed, have been delegated to the Collectors and other officers. As the time required to obtain approval led to delays, powers of local officers were enhanced in recent years in certain States, notably Maharashtra, Madhya Pradesh and Tamil Nadu. In some States, where powers of sanction were limited, estimates for works were split into segments which were within the powers of the Collectors, Executive Engineers etc. Numerous works in almost every State were executed without approval or sanction of the competent authority.

4.7. Karnataka and Maharashtra augmented staff in the technical departments for assistance, supervision and execution of relief works. In Gujarat, arrangements were made to train non-technical staff for short periods to enable them to measure and check work done so that wages could be correctly paid to the workers. In many States, staff was not augmented although very large amounts were spent in relatively short periods.

4.8. While the main emphasis in most States was on small works started in large numbers, in Rajasthan, Karnataka, Maharashtra and Andhra Pradesh works on major or medium irrigation projects were also undertaken or speeded up to provide amongst other objects, relief employment.

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4.9. *Andhra Pradesh*.—Rupees 67.78 crores were provided for 32 planned and non-planned schemes in the budgets for 1971-72 to 1973-74. Of that amount, Rs. 12.43 crores were surrendered. Surrender of Rs. 3.36 crores was specifically attributed to availability of relief funds in those years.

4.10. *West Bengal*.—Out of the provision of Rs. 22.24 crores for employment-oriented schemes like the Drought Prone Areas Programme, Crash Scheme for Rural Employment etc. for the years 1970-71 to 1973-74, Rs. 7.09 crores remained unspent. On the other hand, Rs. 12.54 crores were spent on relief works during the same period to provide employment to people affected by natural calamities.

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4.11. *Bihar*.—Funds allotted for 11 employment-oriented schemes during 1971-72 and 1972-73 were not fully utilised and Rs. 4.16 crores (out of Rs. 5.49 crores allotted) remained unutilised in those two years.

4.12. Collectors of districts are expected to prepare and keep ready lists of works which could be started at short notice in the event of a calamity. Before drafting this list, the Collector has to assess employment which may be offered in the area by works and projects in progress; the list of new works is to be prepared in consultation with the Public Works, Irrigation, Forest, etc., Departments, which would be responsible for their execution. Once the list of works is approved, sites have to be surveyed and designs and estimates technically sanctioned, the intention being that works properly selected and for which preparatory technical work has been done, could be started at short notice. Generally, in selection of these works, the intention is that the Collector should include in these lists works located close to the villages to provide relief employment to those who could not be employed in the vicinity of works in progress or works of a planned and productive nature, which could be started or accelerated. By definition, these village works are comparatively small and require little more than unskilled labour. But even for such works, as also for works to be executed by the regular Departments, preference was to be given to productive works, specially those which would help to mitigate in later years the effects of drought or flood in the area, e.g., minor irrigation or afforestation works in drought affected areas and bunds, embankments or drainage channels in flood affected areas. Works of an unproductive nature, e.g., roads, are to be taken up only as last report.

4.13. Works left incomplete at the end of earlier relief operations or when started under any plan Programme, left incomplete for lack of funds, were to be given preference.

4.14. In almost every district reviewed in all the States, these lists of works were not prepared in advance.

4.15. Relief works were executed in certain States (notably Rajasthan, Andhra Pradesh and Karnataka) mainly through the technical Departments (like Public Works, Forest and Agriculture) responsible for such works in normal times, while in other States (notably Bihar, Orissa and Tamil Nadu) the greater part of the expenditure was incurred through Revenue Officials and local bodies. In Maharashtra and Gujarat, most of the money was spent through the Zila Parishads (Maharashtra), or District Panchayats (Gujarat), bodies which have organised engineering wings. In other States, notably Orissa and Bihar, the works were executed by Panchayat Samities, other local bodies or through Block Development Officers, which did not have adequate technical personnel on their staff. In most States, lists of relief works which could be taken up at short notice, had not been prepared even in districts which are drought prone or had repeatedly been affected by drought, floods or cyclones in the past. Amongst the consequences of this, were

delays in starting of works and selection of works such as kutcha roads or repairs and renovations to minor irrigation tanks. Another effect was that some works were selected which could not possibly be completed within the period of the relief operations. Thus, on many roads, bunds etc., in each State, only earthwork was done and left without being compacted or brought to a safe* stage. Works left incomplete from previous years were not resumed and new works were started. Works had to be started without adequate technical preparation, such as survey, framing and approval of estimates, etc.

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4.16. Relief operations should be closed at the proper time depending on the degree or intensity of distress, dates of local harvest and expectation of food crops. In the case of distress caused by floods, the duration of relief provided would be short, but in the case of drought, relief may continue till rains have started and normal agricultural operations are resumed. In either case, the process of closure should be applied gradually as soon as the agro-climatic conditions start improving and demand for agricultural labour in the fields sets in. A step by step procedure has been prescribed to enable local officers and Government to judge whether the situation had in fact improved sufficiently to enable persons on relief to return to their normal life. The steps include a cut in wages, increase in tasks, review of lists of persons in receipt of gratuitous relief, progressive closure of feeding centres, etc. According to standing instructions of the Central Government, duration of relief work is normally to be limited to commencement of the next agricultural season and gratuitous relief is normally to be continued till commencement of the next major harvest or the period specified, whichever is shorter. On 22nd September 1973, Government of India telegraphically informed all drought affected States that the drought relief operations started in the wake of 1972 drought should be closed by 30th September 1973 and that central assistance for relief would cease from that date.

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4.17. The State Manual (Gujarat) stipulates that relief works should be closed in a phased manner with the onset of monsoon. Relief rates were to be suitably reduced to encourage individuals to resume normal agricultural operations. Such reductions were not made in any of the scarcity years. The State Government directed (14th August 1973) that

*A work is generally said to have been brought to a safe stage only when it is made pucca (though not complete in all respects) so that there is no undue deterioration by natural causes. A road work, for example, should be considered to have reached a safe stage only when the earthwork done on its alignment is compacted and covered by a layer of metal or murrum. Similarly, the work done on the embankment of a canal should be rolled and compacted before it could be considered as having reached a safe stage.

all relief works should be stopped at whatever stage of execution they were. In Dehagam taluk of Ahmedabad district, attendance on relief works increased after the monsoon of 1973. The district authorities explained that the taluk, had good irrigation facilities and, therefore, the people were busy raising crops before the monsoon and with the onset of the monsoon they were free and attended the relief works in large numbers.

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4.18. Government (of Bihar) issued instructions in November 1972 to close relief works gradually by December 1972. Never the less, Rs. 1. 92 crores were allotted under hard manual labour schemes to District Officers and other Departments from January to March 1973 and new works taken up.

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4.19. It may be mentioned that the Central study team which visited the State (Of Andhra Pradesh) in February 1973 had observed that out of 5 lakh persons receiving employment under relief works, 1.82 lakh persons were employed in areas which could not be considered as drought affected.

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4.20. Manuals prohibit employment of contractors for execution of relief works, except under certain special circumstances, so that relief is provided directly to the affected population and intermediaries are avoided. Wherever contractors are employed, a provision is to be inserted in the agreements, making it obligatory for them to employ people from the affected areas only.

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4.21. The State Government (Andhra Pradesh) had directed that relief works should be executed by workers employed by the departments and not through contractors so as to make the benefits available directly to persons seeking employment. In fact, between 1971-72 and 1973-74 most of the works were got executed through contractors; for instance in 50 Public Works and 8 Forest Divisions, responsible for execution of 10720 relief works, on which Rs. 15.14 crores were spent, 9908 works (costing Rs. 14.76 crores) were executed through regular contractors, another 786 works through job workers and only 26 works on which less than a lakh of rupees was spent by direct employment of labour. The Central study team, which visited the State in February 1973, had also noted that the State Government was not undertaking relief works departmentally: contractors were making profits which in some cases was as high as 15 per cent. Panchayats and nominees of Pancha-

yats worked as agents and commission was paid to them. It was assessed by the team that of Rs. 22 crores spent on relief works during 1972-73, as much as Rs. 2 crores or so had gone as profit to contractors and intermediaries and not to provide relief to those affected.

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4.22. In nine districts (of Maharashtra) road works, collection and spreading of road metal or filling, pitching and tank works costing Rs. 2.43 crores were executed through contractors during 1971-72 to 1973-74. In addition, contractors' bills amounting to Rs. 6 to 8 crores for scarcity works executed in 1970-71 and 1971-72 were reported to be pending in March 1972. The State Government intimated (November 1975) that those bills included arrears of wages and other bills for works done departmentally.

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4.23 Relief works (in Bihar) executed through the technical departments were treated like other works of those departments and generally entrusted to contractors. No muster rolls were maintained.

4.24. Wages are calculated on the basis of the prices of staple food and other necessities like oil, condiments, salt, fuel, etc., and should be such that a husband and wife, both employed on relief works are able to maintain themselves and three dependents.

4.25. Relief wages are to be slightly less than the normal wage rates in the area to ensure that employment is sought only by those who are really in need and workers are not diverted from normal works to relief works. Earnings are to be determined on the basis of the out-turn of a labourer ensuring at the same time that a worker is able to earn a minimum wage and wages paid do not exceed the prescribed maximum. For this purpose, standard tasks are prescribed for different types of works, which are generally less than those commonly performed by professional workers in ordinary times. Payment of wages is made either in cash or partly in cash and partly in kind (by issue of food, cooked or otherwise).

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4.26. *Maharashtra*: Wage rates for scarcity relief works were to be 90 per cent of the normal schedule rates applicable to the Department by which such works were executed. Daily wages were to be restricted to the prescribed maximum rate of Rs. 2.50 per day for men and Rs. 2.00 per day for women from 1st January 1971 (revised to uniform rate of

Rs. 2.50 per day from 15th April 1973). To enable the labourers to earn the maximum daily wage of Rs. 2.50, the State Government revised the task rates for common items of work executed for relief employment and introduced uniform rates applicable throughout the State. The Collectors were to vary the task, if necessary, so that the revised rates did not exceed 90 per cent of the divisional schedule of rates of the region.

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4.27. For soil conservation works, the Director of Agriculture enhanced the normal schedule wage by 11 per cent on the ground that the normal rates were inadequate. To secure compliance with the general orders that relief wages should be 90 per cent of the normal rates, he ordered that wages should be 90 per cent of the increased rates. However, no increase in the wages payable on normal works was ordered with the result that the labourers on relief works got the same wage rates as those employed on normal works.

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4.28. Andhra Pradesh: The wages fixed for the workers employed on relief works were equal to the normal Public Works Department schedule of rates.

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4.29. Orissa: As stated earlier, village committees to whom execution of relief works was entrusted in November 1971 were to select executants. The manner in which payments were to be made to the executants and the records to be submitted by them were, however, not specified. In 28 blocks test-checked, the executants were paid at the scheduled rates of the Public Works Department. As this schedule of rates included an element of contractors' profit, the Board of Revenue intimated in November 1971 that the rates for relief works were to be less by five per cent. On the ground of difficulty in executing works at the reduced rates and also because works were being executed at higher rates by other departments in neighbouring areas, the above reduction was restored in December 1971 resulting in extra expenditure of Rs. 0.31 crores in two years, 1972-73 and 1973-74.

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4.30. Uttar Pradesh: Wages of labourers engaged on relief works were brought at par by the State Government with those paid by the Public Works and other Departments. It was explained by Government that it

was not the intention to take advantage of the people in distress by paying them at lower rates. In Mirzapur district, on 180 relief works undertaken in 1969-70, 1972-73 and 1973-74, wages were paid at full rates although the output of the labourers was 71 per cent of the standard task prescribed by Government, which resulted in additional expenditure of Rs. 7.32 lakhs. Wages higher than those prescribed in the schedule of rates of the Public Works Department were paid by the district authorities to relief workers in 4 districts resulting in extra payment of Rs. 4.22 lakhs. The State Manual stipulates payment of wages to labourers at least once a week. This was seldom done. Wages to workers employed on irrigation works were generally paid long after the date of employment of laborers.

[Extracts from Chapters III, IV and V of the Supplementary Report of the Comptroller and Auditor General of India, for the year 1973-74 (Part I), Union Government (Civil).]

A. Analysis of Expenditure on Relief of Distress

4.31. The progress made on Roads and metal breaking in various States during the Fourth Plan was as under [details are given in Chapter V of Supplementary Report of the Cr & AG for the year 1973-74 (Part I), Union Government (Civil)] :—

S. No.	State	Period	Progress made
1	Maharashtra	1970-71 to 1972-73	Works on 95,600 kms of roads were started between 1970-71 and 1973-74. On 30,000 kms only earth work was done. Road metal collected and not utilised as on 1-4-75 was 185 lakh cubic metres (value Rs. 19.42 crores).
2	Rajasthan	1969-70 to 1973-74	Gaps were left in roads. New roads were taken up without completing the incomplete roads. In 4 districts road metal (10.32 lakh cubic metres, value Rs. 47 lakhs) was left unutilised in quarries and by the road side at the close of relief operations in September, 1973.
3	Gujarat	1969- 1970 & 1973 (ending 30th Sept.)	Mainly earth work was done on roads and embankments. Roads were mostly laid along existing cart tracks.
4	Andhra Pradesh	1969-70 to 1973-74	Most of the roads were mere earth work, without cross drainage works and incomplete.

1	2	3	4
5	West Bengal	1969-70 } to 4 1973-74 }	Estimates generally indicated only the value of earth work, and contained no provision for materials or other items to make the assets durable.
6	Karnataka	1969-70 } to 1 x 1973-74 }	Roads constructed were mostly incomplete. Of the 34.25 lakhs cubic metres of metal collected in 456 metal breaking centres of 4 districts (Biar, Bijapur, Belgaum and Gulbarga), only 3.93 lakhs cubic metres transported to the road side leaving 30.32 lakh cubic metres (Value Rs. 1.72 crores) in quarries.
7	Orissa	1969-70 } to 1973-74 }	How much was spent on different types of relief works e.g. roads, tanks, etc. was not known to State Government. Relief works were mostly earth work.
8	Uttar Pradesh	1969-70 to 1973-74	Many roads were left incomplete.
9	Bihar	1969-70 to 1973-74	In April 1974, the State Government assessed that the "so-called Hard Manual Labour Schemes had, by and large, proved unproductive and wasteful."

4.32. The Committee have been informed by the Ministry of Finance that out of nine States referred to in Audit paragraph the position is as under:

- (i) No work relating to metal breaking was undertaken in the States of Bihar, Orissa and West Bengal according to the information received from these States.
- (ii) Replies from States of Karnataka, and Rajasthan were still awaited.
- (iii) Details of quantity of stone metal broken and collected, quantity of road metal actually used, quantities of stone metal lying unused in the States of Maharashtra, Gujarat and

Andhra Pradesh and U.P. during the Fourth Plan (1969-70 to 1973-74) are given below:

Quantity in lakh cubic metres					
State	Metal broken and collected	Metal utilised beneficially	Unutilised	Length of Road metallised (Kms.)	Remarks
Maharashtra . . .	291.00	55.00	236.00	3000 (approx)	An additional amount of Rs. 54 crores is required by the State Government to utilise the unutilised quantity of metal.
Gujarat	6.20	3.33	2.86	523.36 Kms	Out of the unutilised metal, 2.18 lakh cubic metres can be utilised in future planned metalling of State roads and National Highways in the State and the remaining 0.63 lakh cubic metres of the metal can be utilised with little extra lead provided funds.
Andhra Pradesh . . .	13.04	12.21	0.83	3401.15	Unutilised metal to be utilised in future in metalling of State roads and national Highways in the last about two to 2 1/2 years.
Uttar Pradesh	0.007	0.002	0.004	Not available	The balance quantity of road metal is likely to be utilised on State Highways in about one year's time.

4.33. According to an analysis of the expenditure of Rs. 543.86 crores incurred in nine States during the Fourth Plan (1969-70 to 1973-74) made by Audit, 61 per cent of the expenditure (Rs. 336.78 crores) was on roads including metal breaking. The Committee, therefore, desired to know whether expenditure on roads on such a massive scale during the Fourth Plan had brought about any spectacular results in the overall development of roads in those States. In reply, the Secretary, Department of Expenditure has stated in evidence thus:

“In the past, there has been over-emphasis on provision of local works, mainly road-building. There, from a detailed scrutiny of the road programme, we find that roads were being taken up for scarcity relief, which, as one might put it, were roads from nowhere and some of these road programmes have no relation even to the 20 year road development programme which has been financed for that area.”

4.34. The Committee enquired if the above represented the correct position, and on this basis the expenditure of Rs. 336.78 crores during the Fourth Plan in the view was not utterly infructuous. Clarifying the position the Director General of Roads, Ministry of Shipping and Transport has stated during evidence:

“Having gone into this report and also having seen the earlier reports of the Study Teams, I would submit that our people who were associated with some study teams for making the assessment of the requirements of relief measures and relief works and one would like to say that the entire activity of road construction has not been a waste. Some of it was essential on account of providing employment close to distressed people’s places of living and therefore this had to be done even though it was not absolutely essential. But Government expenditure cannot be regarded as a waste for the simple reason that, as you have already seen from the report, Government has spent some money on breaking of stone and this has been at quarries.”

4.35. When the Committee pointed out that judging from the results even the metal breaking seemed to be an infructuous exercise, the witness has said:

“It (metal breaking) has been done largely in Maharashtra and Rajasthan * * * * *. The stone metals at the quarries would not be straightway entirely infructuous because stone metal in any case would be required for construction of the roads under State Plan and they are even required for construction of national highways depending on locations. In the drought affected regions, to give employment to the people, the States must have chosen suitable quarries where this labour could have been put on the job and from where the stone can be transported to road works ultimately. Even in the report, it is stated that 30 per cent or 20 per cent of the material had already been shifted to the road construction sites and part of the same has already been utilised and the remaining is lying there. The remaining portion should also be possible to be carried to the roads sites. So, this material at least cannot be regarded as an entire waste. This material is broken from the rocks and boulders in those areas and this work has been done at a lower wage rate compared to present wage levels or when it would have been needed for actual utilisation on road works.”

4.36. The Committee further pointed out that in March 1973, the Government of Maharashtra had directed the Collectors to close down unproductive works like road building and metal breaking and employ the labour on productive works like digging community wells in villages. The Committee enquired if the Government of India had advised the other States to follow the lead given by the State of Maharashtra. In reply, the representative of the Ministry of Finance has said:

“The Central teams also in many cases have clearly advised the State Governments to concentrate on works other than road making and metal breaking. We also did not consider that spending of money on roads was the best proposition. In every review the Central teams have advised the State Governments that money should be spent preferably on ongoing medium and minor irrigation projects. In many cases, they distinctly left out expenditure on roads as an item not qualifying for central assistance.”

4.37. The representative of the Planning Commission has added:

“The very first Study Team which went, for instance to Rajasthan in 1969, also stated in very clear terms that it is better that instead of roads, more productive works are carried out. At the same time, the Study team also pointed out that there was no point in taking up new roads before completing those roads which were kept in abeyance.”

4.38. Asked if Government of India had made any precise assessment of the contribution made by relief works like metal breaking in various States to the national road development programme, the witness has stated:

“We would not have any assessment like that.”

4.39. The Committee wanted to know if the Government of India had at least obtained the information about the actual achievements of road-building including metal breaking in these States. The witness has said:

“The Central Government do not have any information in this regard. It has been entirely under the control of the States.”

4.40. Asked to state whether the States reported progress of mileage of roads built as a part of relief works, the Secretary, Ministry of Finance has said:

“We certainly have the figures as reported by the States in regard to the mileage of roads built under this programme and the money spent. But sometimes mileages can be contested.”

4.41. In a note furnished after evidence, the Ministry of Finance have stated that according to reports received from Bihar, Himachal Pradesh, Madhya Pradesh and Maharashtra (reports from other States had not been received), the achievements of road building had been as under:

- “(1) *Bihar*.—Work on road building was taken up in the ‘exigencies of the situation arising out of natural calamities with a view to giving employment opportunities for ameliorating the condition of distressed people’. No work of metal breaking was taken up.
- (2) *Himachal Pradesh*.—A sum of Rs. 91.75 lakhs was incurred during 1971-72 and 1972-73 as relief measures on Road building (including irrigation. No amount was spent on metal breaking).
- (3) *Madhya Pradesh*.—Metal breaking is prohibited in the State Scarcity Manual. Therefore this was undertaken only in very few cases where no other works were available.
- (4) *Maharashtra*.—The progress of roads was as under:

New Roads

(a) Length brought to the safe stage	46,442 kms
(b) Earth work done	21,425 kms
(c) Earthwork partially completed	2,054 kms

Widening of Existing Roads

(d) Length tackled	25,763 kms
(e) Quantity of Metal collected	291.23 lakhs cubic metres.”

4.42. The analysis of expenditure on relief given by Audit has also revealed that though funds were allocated in some States to major and medium irrigation projects to accelerate their completion and to provide relief employment, the efforts made by the States in this regard met only with limited success. According to Audit, the position in various States was as under:

- “(1) In Karnataka, it was decided to construct, from out of scarcity relief funds, canals and other works under the Ghataprabha, Malaprabha, Upper Krishna and Karanja projects. Canal and other works taken up in the Ghataprabha and Malaprabha projects were mostly in Belgaum and Dharwar districts. To

attract scarcity affected labourers from Gulbarga, Bijapur, etc., districts, the State Chief Engineer directed in January 1973 that in major projects where migrant labour was employed on a large scale, facilities like sheds for shelter, drinking water, fair price depots, should be provided. The State Government also announced incentives like bonus on canal and excavation works and slightly more wages for metal breaking. The intention was to employ around 1,00,000 individuals. Actually the largest number employed was around 31,000 (in July 1973).

Excluding Upper Krishna Project for which information was not available, the largest number employed from outside was less than 11,000 (May 1973) on the other three projects.

- (2) In Andhra Pradesh Rs. 10.56 crores allotted from relief funds to Nagarjunasagar, Srisailem and Pochampad Projects and the State Electricity Board were reported to have been spent. Actually, the money was spent on material-intensive works in progress which were being executed through contractors or by transfer debit of expenditure already incurred.
- (3) In Maharashtra out of Rs. 27.50 crores spent on irrigation works from 1970-71 to 1973-74 (upto August 1973) Rs. 5.42 crores were spent on 15 major irrigation projects, Rs. 0.40 crores on 40 medium projects and Rs. 21.68 crores on minor irrigation works. It is reported that on eleven out of the fifteen major projects, 69,000 labourers were employed, although many more labourers could be employed thereon. Poor attendance was attributed, amongst other reasons, to existence of other scarcity works in the nearby areas.

4.43. The Committee asked the Government if the reasons for limited success of major and medium irrigation schemes had been analysed. In reply, the Ministry of Finance have stated in a note that:

“There is no reason to suppose that funds provided for major and medium irrigation projects did not help in accelerating their physical progress in the long run, although in a year of scarcity, the funds would have been concentrated on the labour component of the works.”

B. Utilisation of Funds

4.44. Audit has given instances (Paras 4.9 and 4.11) where funds provided for planned and non-planned schemes were not fully utilised and

substantial amounts remained unutilised in several States. The Committee, therefore, enquired why such funds were surrendered and not utilised for providing relief to the people in districts. In reply, the Secretary, Department of Expenditure has stated in evidence:

“It is quite possible for any State to fail to fulfil its planned investment in a programme in a particular year—the shortfalls may occur for various reasons—and in the same year it may have to devote funds for drought relief and, for that drought relief, they may get special assistance from the Centre, as was the case. We are at the moment, unable to see that there is discrepancy between or the need to reconcile the two.”

4.45. Elaborating further, the representative of the Department has stated:

“The Central Government does not call for explanation from the State Governments. Of course, at the time of the annual Plan reviews there would be a discussion as to why under a particular Head the money allotted had not been spent or the fiscal targets had not been achieved. It is a good thing that the money has not been spent because it only shows that they are economical and there is proper scrutiny and financial control. It would be difficult for us to say whether and, if so, how this (non-utilisation of amounts) has been done because this would be entirely within the States’ budgetary jurisdiction. The only way in which we could have been aware is at the time when the non-Plan and Plan resources are discussed together with the Planning Commission. At that time it might have been possible for the Planning Commission to spot excess outlay on relief which had depleted the Plan resources. That is the only case in which the Central Government has any need to go into the non-Plan expenditure of the States.”

4.46. The Committee enquired whether the State Governments were not expected to send a detailed report to the Government of India indicating the measures proposed to be taken and the details of the expenditure likely to be incurred and, based on that report, the Government of India arranged to depute a team of officers to the affected States for reporting on the expenditure required, etc. In fact the letter of 21st September 1966 of the Ministry of Finance to the Finance Secretaries of all the State Governments contained the guidelines regarding the expenditure on relief measures in connection with natural calamities. The representative of the Ministry of Finance has stated in evidence: “This would be in the middle of the year. They (Central team) would be given a certain estimate of

what the State intended to do and, on that basis, the assistance would be determined. Thereafter, in the course of the year, if they spend more than that on relief measures out of their own funds, it would not come to the notice of the Government of India except at the time of the Plan resources calculations." The witness also clarified that after 1974 the Government of India decided that the Centre would give assistance on Plan basis.

4.47. The Ministry of Finance have in a note furnished to the Committee after evidence, stated:

"Although the States might have surrendered under some individual items, the overall financial position of the States was not such that they had surplus funds unutilised. The totality of the financial position of the States during the Fourth Plan period would have to be kept in perspective while taking a view in this regard. The finances of most of the States were then under severe strain and they had large gaps in their resources which had to be covered by the Centre through special accommodation. As a matter of fact, as on 29th April, 1972, the States had an accumulated overdraft of Rs. 641.92 crores which had to be cleared by the Centre through special loans. In the circumstances, it may not be appropriate to view in isolation the surrender of funds under any single item without considering simultaneously the excess expenditures on other items as well as the erosion in the overall resources position. If there had been no surrenders, the cumulative budgetary deficit/overdraft of the States would have been even larger."

C. Planning and Administration of Relief Operations

(i) Role of Central Study Teams

4.48. The Committee were informed by the Ministry of Finance that there was no Central Standing Team. The composition and members of the Central team varied from State to State.

4.49. The duration of a Team's visit generally ranged from 3 to 7 days.

4.50. During 1969-70 to 1974-75, the number of States affected and the number of teams visited them were as under:—

Year	No. of States visited	No. of teams which visited the States
1969-70	14	24
1970-71	12	16
1971-72	11	18
1972-73	17	35
1973-74	15	25
1974-75	11	11

4.51. The Sixth Finance Commission (1973) had in their Report made the following observation about the role of the Central Study Teams:—

“The Central teams entrusted with the task of assessing the requirements of relief are usually constituted at short notice and have to complete their assessment of the situation within a short period. Their visits to affected areas thus tend to be brief. As they are composed of representatives drawn from various Ministries who are pre-occupied with their own other work, the teams can at best make only a very broad judgement on the needs of the States in the light of the data provided by the State Governments themselves. The Central teams have no effective means of checking such data and their findings by and large tend to be of an impressionistic nature.
* * * * *

4.52. Explaining the precise duties and responsibilities of Central teams, the Ministry of Finance have in a note stated:

“The main responsibility of the Central team was to make on the spot assessment of the situation created by the natural calamity and the nature and extent of relief measures that the State would have to take to cope with the situation. For this purpose, the Team had to ascertain the extent to which the requirement of funds for relief operations could be met from

the Annual Plan provisions, to what extent additional expenditure on major, medium and minor irrigation works might be necessary and to what extent funds would be required for various types of gratuitous relief and in productive works. On the basis of such an assessment, the Team was called upon to make recommendations with regard to the ceilings of expenditure for various purposes which should qualify for central assistance."

4.53. The Committee have been informed that recommendations of a Central team broadly covered the following aspects:

"The team recommend the ceilings to be adopted for various relief measures, together with the period for which the ceilings would be valid. The teams also reviewed and commented upon the relief operations of the State Government and suggested priorities to be followed in taking up relief works, scope for improvements in the relief programmes, areas where the State Government would need to be circumspect in incurring expenditure etc."

4.54. The Committee desired to know what generally was the composition of a Central Team. In reply, Ministry of Finance have stated in a note:

"The Teams consisted generally of the Programme Adviser, Planning Commission as the Leader and representatives of the Ministries of Finance, Food and Agriculture and representatives of other Ministries like Irrigation and Power, Health, Transport etc. depending on the nature of the calamity."

4.55. Asked if the ineffectiveness of the Central teams could be traced to the fact that these teams were composed of Government officials alone and had no Experts or Engineers, the Secretary, Ministry of Finance has stated, in evidence:

"Whenever required such services of experts or engineers can be made available. But they don't have to do with detailed consideration of new projects, drought prevention schemes etc. They only have to do with the amount of money to be made available by Centre to State, to supplement their efforts. These are not occasions for detailed examination of State Projects. We can have engineers or specialists included in the team."

4.56. The Committee wanted to know whether during the course of their short visits to States, the Central teams held discussions with State

Governments, to assess actual damage caused by a calamity and scrutinise progress of relief works undertaken to relieve distress of the people. In reply, the Secretary, Ministry of Finance has stated:

“The intention of this discussion and on-the-spot examination is not a scrutiny of actual damage done, but it is a discussion between the representatives of the Central Government in the Ministries concerned and the responsible officers and Ministers of the State Governments whose primary responsibility, I must repeat, is to tackle the situation.”

4.57. The procedure that is normally followed in such cases is that a State where a calamity occurs normally presents a Memorandum giving its own assessment of the situation and the extent of financial assistance needed by it to tackle the situation. The representative of the Ministry was during evidence asked whether the Central team went by whatever was stated in the States' Memoranda or whether the facts stated therein were verified by them before recommending Central assistance. In reply, the Secretary Ministry of Finance has stated:

“A certain amount of cross-checking of the claim made by the State is done. * * * We do not claim that the Central team had specifically, examined in detail all the points made in the State Government Memoranda.”

4.58. Asked whether the checking by Central Team of State's claims was a general or a detailed one, the witness has stated:

“***** there is no attempt by the Central team to check in detail the propositions made in the memorandum about the exact number of people affected in every village and so on. *** it was a general check, a general discussion at the official level between senior officers of the States concerned and the Central Team followed usually by some kind of a visual inspection of the damage done.”

4.59. In this connection, the witness has stated:

“We are not dealing with any grant-aided Institutions; we are not dealing with companies to whom we may be giving loans or grants; we are dealing as a part of the constitutional set up in the country, as Central Government, with the State Governments, the State Legislatures, the State Ministers and the State Executives.*****”

4.60. It was pointed out to the witness that when Central assistance on a massive scale was made available to States out of the Consolidated

fund of India, was it not desirable that Central teams should satisfy themselves about the need for Central assistance on each occasion instead of accepting whatever claims were made by State Governments. The Secretary, Department of Expenditure, has replied:

“Nevertheless, any examination of the Central team reports and the action taken show that a certain scepticism which is inherent in a Central agency which is remote from the area of concern and a certain amount or degree of care about how much we can afford affect the Central Teams’ recommendations. By and large the Central teams have never been known to recommend even half of what the State Government put forth as a preliminary assessment of requirements of funds.”

4.61. The Committee enquired whether in the light of the past experience, the Government of India felt that Central teams should be clothed with more powers to supervise or inspect relief works going on in various States. In reply, the Secretary, Department of Expenditure has expressed the following view:

“There is the State Finance Ministry, the Legislature, State PAC, and the whole political system; we have to look there for a remedy and not giving more powers to the Central teams. I would submit this is my personal view. * * * We would appreciate guidance from the Committee on this point.”

(ii) *Lack of Advance Planning*

4.62. The Finance Commission (1973) had in their Report observed *inter alia* as under:

“.....the practice.....of keeping ready a list of works to be taken up for execution as relief programmes appears to have fallen, into disuse in many States. The result is that in an emergency, relief works are in many cases taken up on an *ad hoc* basis with inadequate attention to their long term utility **** what is more disturbing is that a good deal of relief expenditure has been incurred on schemes formulated in desperate hurry which turn out to be very largely unproductive without any appreciable effect on the permanent improvement of the areas prone to drought and floods.”

4.63. The Committee enquired whether it was a fact that there was lack of advance planning and the Collectors and the State Agencies were not ready before hand to undertake relief works on a systematic basis.

The Secretary, Department of Expenditure, has admitted during evidence that:

“These criticisms in detail are correct and have been borne out by many reports including the Finance Commission and Auditor General’s reports.”

4.64. Asked if the criticism of lack of advance planning was correct, what was the reaction of Government of India to such criticism. In reply, the witness has said:

“The Government’s reactions were firstly to try to reduce the number of road projects which were particularly wasteful and which were essentially taken up to provide employment close to home in order to avoid having to move labourers and workers from all these areas to where the work was going on. One of the measures was to switch over from road building to other kinds of productive works. The second set of measures has been the preparation of detailed schemes, provision of staff in these areas for advance preparation of schemes so that the work can be done more economically and more quickly and the third measure has been that now that the schemes are included in the plan, the question of their being left incomplete will not arise because it is simply a plan scheme whose progress has been accelerated in the drought areas at the time of drought.”

(iii) *Lack of Monitoring System*

4.65. In their Report, the Sixth Finance Commission (1973) made the following observation regarding monitoring of recommendation of Central Study Teams:

“There is also no satisfactory arrangement anywhere in the Central Government to keep close and critical watch on the implementation of the recommendations of the Central teams.”

4.66. The Committee, therefore, desired to know the arrangements that had been made by the Government of India to ensure effective follow-up action on the reports of the Central Teams. In reply, the Ministry of Finance have in a note stated:

“The reports of the Central teams were forwarded to the State Governments, together with the sanction, indicating the ceilings for purpose of Central assistance on the basis of the progress of expenditure reported by the States. Central as-

assistance was released to them provisionally, subject to its finalisation on the basis of audited figures of expenditure.*** the only agency which the Centre has to ensure that funds have been utilised by the States for the prescribed purposes is the State Accountants General***”.

4.67. During evidence, the Committee enquired how the problem of evolving an effective monitoring system within the existing constitutional framework of Central-State relationship could be tackled. The Secretary, Ministry of Finance, has expressed the following view:

“I would submit that it is better to approach this problem through a revised operating system rather than through the approach of a Central inspectorate roaming over the States, trying to find out where the waste took place. We are not equipped to do that. We are not constitutionally permitted to do that. It will not be practicable to consider detailed monitoring by the Centre of expenditure by the States on relief.”

4.68. Asked whether it was a fact that in the absence of an effective monitoring system, there could be leakage of funds meant for relief works, the Witness has stated:

“In any works programme it is of course possible to misuse the funds. A certain amount of leakage no doubt takes place.”

4.69. The Committee enquired if a system of priority checks could not be worked out to ensure that Central assistance was channelled for use in productive works only. In reply, the Secretary, Ministry of Finance, has stated:

“It would take years to have check of that kind, and by the time the scarcity would have been over.”

4.70. Referring to Purulia District of West Bengal which was a backward and water scarcity area and where despite State Government's efforts, economic conditions of the people had not improved much, the Committee enquired if the Planning Commission also played any role in the planning and monitoring of relief programmes in various States or at least in acute cases like that of Purulia. The representative of the Planning Commission during evidence explained:

“It is possible for the Planning Commission as such to assume the responsibility for this plan-making at the primary micro-level. ***It is very difficult to say that we have the means of monitoring as to what happened in Purulia, or what more needs to be done.”

4.71. During evidence, the Committee asked if introduction of new pattern of Central assistance w.e.f. 1st April, 1974 following the recommendation of the Sixth Finance Commission whereunder Central Government no longer gave *ad hoc* assistance but advanced money against plan allocations had done away with the need for monitoring of relief works. In reply, the Secretary, Department of Expenditure has stated in evidence:

“Under the earlier system, obviously it was possible for the States to push the Central Government into much high levels of assistance****. All that the States are now being given is a certain ways and means support over a plan period by way of advance plan assistance so that the need for direct scrutiny of State Government claims has been reduced by the new system****. There will be now no distinction between relief works as such and the plan works. Once we have eliminated *ad hoc* works called the relief works, which are roads from nowhere to nowhere, wells dug and again apparently filed up before the next monsoon and the like, once we have tried to put the system under Plan Works and we are trying to strengthen this by prior estimates of projects, once we have done all that, the idea of check by the Central Government agencies on execution by the State Governments is not feasible.”

4.72. Asked whether this meant that now relief measures would be undertaken only as part of State sector Plan works and the same would thereby automatically be subjected to monitoring by the Centre, the representative of the Department of Agriculture clarified:

“There is no arrangement of the State sector plans being monitored by the Centre except that during the annual plan discussions in the Planning Commission, when the State representatives come, and the financial and physical progress of the different schemes in different sectors are examined. Representatives of various Ministries also participate in the discussions.”

4.73. The Committee pointed out that the new system of Central Assistance had come into force from April, 1974 only and asked if it was not rather strange prior to that no track was kept by the Planning Commission or the Ministry of Finance or for that matter any other Ministry of the Government of India of the amount of Rs. 1046.30 crores—out of which Rs. 832.78 crores was given by the Centre—spent by States on relief of distress. The Committee wanted to know why no one concerned with administration of relief expenditure had thought to contempora-

neous monitoring to see whether the massive investment had been resulting in creation of durable assets and if so, to what extent. In reply, the representative of the Planning Commission stated:

“May I recall the instructions of 1966 in which the stress was similar. Only the controls were not as effective and direct.”

(iv) *Timely Closure of Relief Operations*

4.74. The Committee were informed that under the instructions issued to the State Governments on 6th August, 1969, the States were advised that in the selection of schemes for purposes of employment generation, they should take care to ensure that the works are such as could be completed within the period of calamities and that in case there was any spill-over, the funds needed for their completion should be found by the States from their own resources. During the discussion with the State Governments the Central teams also used to invite the attention of the States to this aspect and advise them to gradually taper down the works, so that they could be closed on the emergence of normal conditions. The States, it was stated, were fully aware of the fact that Central financial support was limited to the period indicated in the Report of the Central teams. According to the Ministry of Finance “continuance of the works beyond the prescribed period or completion of such of the works as deserved to be completed was thus a matter in which the States had to exercise their own judgement.”

4.75. In this context, Audit has pointed out (Paragraph 4.16) that “on 22nd September, 1973, Government of India telegraphically informed all drought States that the drought relief operations started in the wake of 1972 drought should be closed by the 30th September, 1973 and that Central assistance for relief would cease from that date.” The Committee desired to know the circumstances leading to the abrupt closure of relief operations rendering infructuous expenditure of crores of rupees already spent on relief works in various States. Defending this action of the Government of India, the Secretary, Ministry of Finance (Department of Expenditure) has stated during evidence:

“Firstly, there were orders that at the end of any drought period, incomplete works were the responsibility of the States..... Secondly, the need for this telegram arose because,.....the rate at which the expenditure was accelerating in this particular season was considered dangerous. Under the old system, the drought-affected States were in a position to commit the Central Government, theoretically, to 75 per cent, potentially almost to 100 per cent of an amount without any

ceiling. Therefore, it was necessary to make a sharp cut off. Thirdly at that time the monsoons had already set in and an immediate requirement of drought relief was not there. So the Central Government's action was taken after some consideration and it was only when the Central Government saw through that the drought conditions had no longer prevailed that this order was issued."

(v) *Execution of Relief Works through Contractor*

4.76. Giving State-wise position of execution of relief through contractors, the Ministry of Finance have, in a note, stated:

- (1) In some States like Rajasthan, Madhya Pradesh and Tripura relief works were not executed through contractors.
- (2) The State Government of Bihar has intimated that "execution of relief works through contractors is avoided."
- (3) The State Government of Maharashtra has issued instructions that except in exceptional circumstances, execution of scarcity works should be undertaken departmentally and not through contractors or even gangmen. The State Government is of the view that "since the works were executed through contractors in very peculiar special circumstances, the same should be considered eligible for determining central assistance."
- (4) In a letter dated the 14th March, 1973, the Union Planning Minister had advised the State Government of Andhra Pradesh to avoid the taking up of relief works through contractors. The State Government are stated to have offered the following comments in this regard:

"Instructions were given to Collectors to execute works as far as possible departmentally and not through contractors. But in the case of plan schemes and other projects which are of a specialised nature and which are executed with the help of contractors, the system could not be dispensed with, as departmental execution of all the works in a wide spread drought was not possible. Further, due to unsatisfactory law and order situation prevailing during October 1972 to end of March 1975, it was not possible to mobilise enough supervisory and other staff to get the drought relief works executed departmentally. All the expenditure incurred under Plan projects was incurred only on employment of labour and not for purchase of material."

4.77. The Audit has reported (Paragraph 4.21) the Central Study Team which visited the State of Andhra Pradesh in Feb. 1973 had assessed that "of Rs. 22 crores spent on relief works during 1972-73, as much as Rs. 2 crores or so had gone as profit to contractors and intermediaries and not to provide relief to those affected." During evidence, the Committee enquired why were contractors and intermediaries allowed to a mass profits of Rs. 2 crores or so on execution of relief works in Andhra Pradesh. In reply, the representative of the Ministry of Finance said:

"We do not know."

4.78. The Secretary, Ministry of Finance, (Department of Expenditure) however, said:

"We should be prepared to examine this particular case."

4.79. The Committee pointed out that the Central Study Team which visited Andhra Pradesh had noted that in some cases contractors' profits on execution of relief works was 15 per cent and enquired if this was considered a reasonable margin of profit. In reply, Secretary, Department of Expenditure, has stated:

"15 per cent margin does not consist entirely of profit. Even if Government were to do it, there would have been a 12 per cent Government supervision charge. That does not mean that that is the Government's profit. You have to supervise, have camps, accounts system staff etc."

4.80. Asked if even the contractors' profit of 15 per cent was counted for computation of Central assistance, the witness has stated:

"Only labour charges were included as Central assistance. Material cost was excluded."

4.81. In a note furnished after evidence, the Ministry of Finance have stated that:

"The Central Teams generally took into account only the wage and material components of the expenditure on certain broad norms. By and large, they adopted a ceiling of 15 per cent for the material/overhead component of the works. During the discussion with the States, they impressed upon the need for concentrating the resources on providing wages to the affected population and to minimise the expenditure on material component and overheads."

4.82. The Committee asked if the practice of execution of the relief works through contractors was not contrary to purposes of relief employment and if so how Government would ensure that in future no part of relief expenditure went to the pockets of contractors. In reply, the Secretary, Ministry of Finance (Department of Expenditure) said:

“There will be now no distinction between the relief works as such and the plan works.”

4.83. Asked if the Committee could take it that with the integration of relief works with Plan works, all plan works would be executed departmentally and not through contractors, the witness has clarified that:

“Under the new system, since the assistance will have to be in the form of plan assistance, the schemes will also have to be executed as plan scheme. There are no instructions that all plan schemes have to be done departmentally, etc. and that neither the private contractors nor other agencies can be used. The State Government can use any agency.”

4.84. The Committee wanted to know what types of plan works were generally entrusted to contractors. In reply, the Secretary, Ministry of Finance (Department of Expenditure) has stated:

“Private contractors are there in large irrigation works where the organisational pattern is such that you can't entrust to small groups of people. It is arguable that if large work is entrusted to contractor, if there is profit element, that profit is not a legitimate charge on relief work.”

4.85. As regards execution of small works by local bodies in various States, the Secretary, Ministry of Finance (Department of Expenditure) has said in evidence:

“The use of local bodies cannot *ab initio* be ruled out because these are normal agencies for carrying out small scale works. There can be better control by States of their own local bodies. We can't say that local bodies or BSS etc. or anybody else are not to be used for executing relief works and plan works in drought-affected areas.”

4.86. The Committee wanted to know if the Government of India had issued any guidelines to States as to what should be the executing agency for relief works undertaken by States in the wake of Natural calamities especially when Central assistance was also given. The Secretary, Department of Expenditure, said in reply:

“As far as we are aware there is no such guideline issued in the past about the agency of construction.”

(vi) *Relief Wages*

4.87. Audit has reported (Paras 4.21, 4.26 and 4.30) that in Andhra Pradesh, Maharashtra and Uttar Pradesh, relief wages were equal to and sometimes higher than the normal wage rate, although some State relief manuals provide that relief wages should be slightly lower than normal wages to avoid the possibility of individuals preferring relief works to other employment.

4.88. The Committee desired to know whether Government of India had issued any guidelines on this subject. In reply, the Ministry of Finance stated in a note:

“The background paper circulated to the State Governments in January, 1976 takes care of the ‘Employment on Relief Works’ (Para 12) and ‘Wage Structure’ (Para 13).”

4.89. The background paper referred to above contains the following provision for employment on relief works:

“Another phenomenon which has asserted itself during the recent years is that of heavy on-rush of affected people to the relief works opened for providing employment to the persons really in need. What measures should be adopted to ensure that the number at the relief works does not get unnecessarily swollen would have to be considered. Most of the Codes/Manuals at present do not contain any elaborate arrangement to restrict the number of persons given employment on relief works, except by requiring those who come to get employment to produce certificates, etc. of their being genuinely in need of employment. Some of the Codes/Manuals contain provision in regard to the total number of persons who could be provided employment, viz. 10 to 20 per cent of the affected population; whereas others contain generalized provision that all able bodied persons willing to work should be provided with employment and that relief works are works opened for relieving unemployment from amongst rural population. Specific measures to restrict the number of persons on relief works as also to prevent any tendency to use relief works for solving the endemic unemployment and under-employment problem in the rural area, such as (i) restricting the number of persons from each family; and (ii) ensuring that only persons who have either no land or have

very small holdings are provided employment on relief works, would have to be gone into."

4.90. The following provision in the background paper was stated to take care of the subject of wage structure:

"The question of wages allowed, task prescribed etc. is also relevant in this regard. If the wages allowed are lucrative, it would be difficult to check the on-rush of persons seeking employment on relief works. Of course, the wage allowed will have to be sufficient to enable the worker to have sufficient food at the prevailing market price for himself and his family members. If, however, the wages are suitably framed keeping in view the wages in the open market and the need that there should not be any diversion of persons employed on plan and development works to the relief works, they would be conducive to restrict the number of persons employed on relief works. Special care also needs to be taken in this regard of the scheduled castes/tribes and other vulnerable sections of the rural population, so as to ensure that they are not left out of relief operations. The whole gamut of questions such as ceilings on wages, relation of wages to output, reduction of task, lowering of schedule of rates, provision for employment of children, wages to be paid to the female workers, provision regarding weekly rest and maternity benefit, etc. would have to be gone into."

4.91. The Committee find that of the amount of Rs. 543.86 crores incurred on relief works by nine States (Maharashtra, Rajasthan, Gujarat, Andhra Pradesh, West Bengal, Karnataka, Orissa, U.P. and Bihar) during the Fourth Plan (April, 1969 to march, 1974) as much as 61 per cent (i.e. Rs. 336.78 crores) was spent on unproductive works like roads and metal breaking. It was admitted during evidence that "these works, as one might put it, were roads from nowhere to nowhere." Some of these works, it was stated, had no relation to the 20-years Road Development Programme. The expenditure has been sought to be justified because "it was essential to provide employment close to distressed people's places of living". According to the representative of the Ministry of Shipping and Transport, the entire expenditure cannot be described as wasteful because part of that expenditure was on metal breaking at quarries which at least was put to productive use. From the figures made available to the Committee, it has been noticed that of the metal broken and collected during the Fourth Plan the utilisation was hardly 18.9 per cent in Maharashtra, 55 per cent in Gujarat etc. The Committee would like to point out that the utilisation of stone metal was the lowest in a State like Maharashtra which spent the highest amount (Rs. 140.19 crores) on this account.

In this connection, it is pertinent to recall the statement of the representative of the Ministry of Finance during evidence that "the Central Teams also in many cases have clearly advised the State Governments to concentrate on works other than road making and metal breaking" and in Government's view money should be spent preferably on on-going medium and minor projects. The Central Team which visited Rajasthan in 1969 has unequivocally stated that "it is better that instead of roads more productive works are carried out". Despite the awareness, on the part of the Government, of the relatively little or no returns from relief operations of this nature, the Committee notes with surprise that the major portion of the expenditure of Rs. 336.78 crores was incurred by nine States on roads and metal breaking during the Fourth Plan. The amount spent on irrigation accounted for only 18 per cent of the total expenditure on relief works. The Committee cannot view with equanimity the preponderant emphasis that was placed on road building and metal breaking works without adequate attention being paid to their long term utility.

The Committee concedes that it may not always be practicable, in a crisis caused by a natural calamity, to ensure that only works of a durable nature are undertaken to provide relief employment. They would, however, urge that, as far as possible, the relief measures should be suitably integrated with on-going plan schemes or schemes which might have been deferred on account of financial constraints, so that funds allocated for distress relief are utilised more gainfully and serve the dual objective of alleviating distress as well as creating durable and lasting assets which would in turn mitigate if not altogether eliminate, the adverse effects of future natural calamities which may occur. This could be achieved by adequate advance planning and the preparation of a shelf of schemes (referred to later in this Report) to be utilised in the event of a calamity...

4.92. A striking feature revealed by analysis of expenditure on irrigation is that though funds were allocated in some States to major and medium projects to accelerate their completion and to provide relief employment, the States were not able to make headway in achieving the underlying objective. For instance, in one State the largest number of persons employed on four irrigation projects was around 31,000 (July, 1973) as against its intention to employ 1,00,000 persons.

In another State, though the State Government spent a sum of Rs. 10.56 crores from relief funds on three irrigation projects including the State Electricals Board, the money was stated to have been spent on material intensive works in progress.

In yet another State, the Committee learnt that though more labourers could have been employed on 11 out of 15 major irrigation projects in the States, only 69,000 labourers were employed.

Though the attempts by these States have not gone very far in achieving the objective, the fact that these States did make attempts in this direction should commend itself to other States. The Committee would, however, recommend that the Government should identify the factors responsible for the limited success of the schemes for integrating measures for relief employment with on-going major and medium irrigation schemes. Such an exercise might lead to a greater success of the scheme in the event of a natural calamity.

The Committee stress that consistent with economy and the resources available every effort should be made by State Governments to provide relief employment to maximum number of people, hit by drought conditions etc. on irrigation projects, (major, medium and minor etc.).

4.93. The Committee find that while, on the one hand, relief funds running into crores of rupees were being spent on unproductive works like roads and metal breaking causing depletion of plan resources, there were instances on the other hand of under-utilisation and non-utilisation of other funds which, if gainfully spent, might have provided greater employment opportunities to the people in distress. To quote a few instances, of the Rs. 67.78 crores provided for 32 plan and non-plan schemes in the budgets of Andhra Pradesh for the years 1971-72 to 1973-74, Rs. 12.43 crores were surrendered. In West Bengal out of the provision of Rs. 22.24 crores for employment-oriented schemes like the Drought-Prone Areas Programme, Crash Scheme for rural employment etc. for the years 1970-71 to 1973-74, Rs. 7.09 crores remained unspent. Government of Bihar is reported to have surrendered Rs. 4.16 crores out of Rs. 5.49 crores allotted for employment oriented schemes during 1971-72 and 1972-73. The Ministry of Finance have tried to explain that surrender of funds under one item should not be viewed in isolation but should be considered alongwith excess expenditure on other items. The Committee were informed that as on 29 April 1972, the States had an accumulated over-draft of Rs. 641.92 crores which had to be cleared by the Centre through special loans. The Committee concede that but for such surrenders of funds, the cumulative deficit/overdraft of States would have been even larger than what it was. But the fact cannot be gainsaid that such a practice has a baneful effect on the resources position of the Government. While on the one hand government is hardput to find resources for assisting the States to tide over the difficult situations created by natural calamities, the States on the other hand surrender funds because of the lack of meaningful projects to expand the sums thereon. The Committee therefore would urge that funds earmarked for employment-oriented schemes may be utilised by the States to the maximum extent

possible in keeping with the Government's aim of finding productive jobs for the unemployed millions.

4.94. The Committee note that the main responsibility of a Central team is to make an on-the-spot assessment of the situation created by the natural calamity, determine the nature and extent of relief measures that the State would have to take to cope with the situation and to recommend the ceilings of expenditure for various purposes which should qualify for Central assistance. In their report, the Sixth Finance Commission had expressed the view that by and large the findings of the Central Teams "tend to be of an impressionable nature" because in their view these teams were constituted at short notice, were composed of representatives drawn from various Ministries only, and undertook only brief visits. The Secretary, Ministry of Finance (Department of Expenditure) has admitted during evidence that during their brief visits to States which generally ranged from 3 to 7 days these teams neither scrutinised the works in progress nor the extent of actual damage done by a calamity. It was also revealed during evidence that these teams did not check in detail the propositions made in the Memorandum submitted by a State Government to back its claim for Central assistance.

The Secretary, Ministry of Finance, in his evidence before the Committee has drawn pointed attention to the fact that the Central Team holds "a general discussion at the official level between the senior officers of the States concerned and the Central Team followed usually by some kind of a visual inspection of the damage done". He has reminded the Committee of the fact that "we are dealing as a part of the constitutional set-up in the country, as Central Government, with the State Governments, the State Legislatures, the State Ministers and the State Executives." It would appear that the Central Teams, play at present a very limited role in the matter of assessing the damages as also the financial assistance that would be needed by the States to cope with the situation.

The Committee would like Government to consider how the assessment by the Central Team could be made more pertinent and informative so as to see that the agreed objective of expending relief on approved Plan schemes to provide gainful employment to drought hit people was better achieved.

4.95. The Committee note that in their Report, the Sixth Finance Commission (1973) had observed that the practice of keeping ready a list of works "appears to have fallen into disuse in many states." Though Collectors were expected to prepare and keep ready a shelf of relief works which could be started at short notice, such an exercise was not done in

most of the States even in districts which had repeatedly been affected by drought, floods or cyclones in the past, with the result that there were delays in selection and commencement of relief operations and even where works were started, these were not systematically progressed and completed. Admitting during evidence that "these criticisms in detail are correct", the Secretary, Ministry of Finance has explained that with the change in the pattern of central assistance, the schemes would be included in the Plan and therefore the question of their being left incomplete would not arise.

4.96. The Committee concede that relief of distress caused by natural calamities is primarily the responsibility of the States and that with the change in the pattern of Central assistance for relief measures effective from April 1974, the role of the Central Government has become further limited. However, keeping in view the fact that large areas of the country are prone to natural calamities, and the importance of a coordinated national effort, the Committee would suggest that Central Government should, using its good offices, emphasise on the States the need "to see that detailed schemes for providing durable infrastructure facilities for development in these districts/areas, as per plan, are prepared and kept ready in advance so that these could be put into operation without delay to provide gainful employment for the needy in times of distress.

4.97. The Committee are perturbed to note that while the State Governments spent as much as Rs. 1046.30 crores during the Fourth Plan (1969-70 to 1973-74) on relief of distress to the people caused by natural calamities, no monitoring system was in operation throughout the Plan period to keep a watch on the physical achievements resulting from such expenditure with the result that no precise estimate of the durable assets, if any, created by such a massive investment was available. The Committee are not impressed by the plea made during evidence by the representative of the Ministry of Finance that as the relief of distress was primarily the responsibility of the State Governments, the question of monitoring by the Centre did not arise.

The Committee feel that if a monitoring system had been developed, it would have enabled the Central Government to keep a contemporaneous watch on the developments in the field and so direct the effort that the colossal amount of Rs. 832 crores which was disbursed by way of Central Government assistance during the Fourth Plan was utilised to the best public advantage by creation of durable assets preferably as per the approved Plan Schemes.

Even with the modification of the assistance scheme from April 1974, the Committee feel that the need for monitoring has not been obviated as

it is but appropriate that the Centre should know contemporaneously how the accelerated financial assistance is in fact being expended in the field for implementation of approved Plan schemes.

4.98. The Committee are perturbed to note that even though State Manuals prohibit employment of contractors for execution of relief works, except under certain circumstances, so that relief is provided directly to the affected population and intermediaries are avoided, some of the States, e.g. Andhra Pradesh, Maharashtra and Bihar had been entrusting relief works to private contractors who, it is understood, made sizeable profits in the process. As pointed out by Audit, a Central Study team which visited the State of Andhra Pradesh had assessed that out of Rs. 22 crores spent on relief works during 1972-73, as much as Rs. 2 crores or so had gone as profit to contractors and intermediaries and to that extent reduced the amount of relief available to those affected. The Team also pointed out that the contractors were making profits which, in some cases, were as high as 15 per cent. The representative of the Ministry of Finance explained during evidence that 15 per cent margin did not consist entirely of profit and that even if Government were to handle these works departmentally, there would have been a 12 per cent Government supervision charge. The representative, however, assured the Committee that the observations of the Central Study Team about contractor's profit to the tune of Rs. 2 crores would be gone into.

The Committee have been given to understand that from April 1974, there will be no distinction as such between relief works and the plan works. It is also understood that the States are free to entrust their plan works to any agency including the contractors. The Committee learnt during evidence that even prior to April 1974 no guidelines were issued by Government on this subject.

The Committee need hardly point out that it would obviously be better to maximise the percentage of resources devoted to the actual implementation of the schemes in the field by reducing the overheads on departmental charges, contractors agencies etc. The Committee would like the Government to review the matter in detail and lay down suitable norms in this behalf.

CHAPTER -V

GRATUITOUS RELIEF AND OTHER MEASURES

Audit Paragraphs

Gratuitous Relief

5.1. The scale of gratuitous relief applicable to various categories of distressed people and its duration are fixed by the State Government depending on the nature and extent of calamity. During floods and cyclones, emergent relief is given in the shape of food, clothes, utensils, etc. for short periods, say, a week or so, till the floods recede. In doing so, generally no distinction is made between different sections of the affected population and relief is afforded irrespective of one's capacity to work or his pecuniary circumstances. In the case of drought, gratuitous relief is to be restricted to old and infirm persons who are unable to work and have no one to support them; it is given for a longer period and its duration is to be limited to the next major harvest.

5.2. In certain States (e.g. Bihar, Uttar Pradesh and Jammu and Kashmir), the principle of gratuitous relief has been extended to fires in which houses of many people are burnt.

5.3. During the five years ending March 1974, Rs. 110.68 crores were spent on gratuitous relief including cash doles to disabled and indigent persons, free or concessional supply of food, clothes and similar items. Expenditure on certain other relief measures such as free or concessional supply of seeds, fertilisers and other agricultural inputs, grants for repair or reconstruction of houses damaged by floods and cyclones, remission of tuition fees, repair and construction of school buildings, provision of drinking water measures for prevention of epidemics and grants to weavers, fishermen and artisans has been dealt with in the succeeding Chapter.

5.4. Cash doles, clothes and food (cooked or otherwise) were distributed mainly through Revenue officials. In certain States, notably Bihar and Kerala, free kitchens, feeding centres and gruel centres were also opened for serving cooked food. While large sections of affected population were given gratuitous relief in the event of floods etc., such relief on occurrence of drought was to be restricted to a small section of the affected population, who were unable to work due to physical infirmities etc.

5.5. Generally, lists of eligible persons were not prepared and got approved by Collectors/Sub-Divisional Officers. It appears that sometimes gratuitous relief was provided to ineligible persons.

5.6. Uttar Pradesh tops the list of States incurring expenditure on gratuitous relief. The amount spent in that State during the five years was Rs. 29.77 crores. Closely following was West Bengal which spent Rs. 27.88 crores. Third was Bihar which spent Rs. 18.28 crores. Amongst the major States, the smallest amounts were spent in Madhya Pradesh (Rs. 31 lakhs) and Rajasthan (Rs. 86 lakhs). Out of Rs. 274.66 crores spent in Maharashtra on distress relief, only Rs. 2.16 crores spent on gratuitous relief. In certain States, notably West Bengal gratuitous relief was treated as a social service payment and was distributed almost every year whether there was a calamity or not. In certain States (e.g. Uttar Pradesh, West Bengal and Kerala) gratuitous relief was sometimes continued after the calamity was over.

5.7. *West Bengal*—In this State gratuitous relief is given in normal times only to the crippled, handicapped, the old and others who are unable to earn their living and have no relatives to support them. While the State Government has determined that a maximum of 0.2 per cent of the population may be given gratuitous relief in normal times, relief is actually to be given only to selected individuals who are eligible. The Anchal relief committee is responsible for preparation of priority lists of persons who deserve gratuitous relief, which are to be checked by the Block Relief Committee and finally approved by the Sub-divisional Officer. An Officer so authorised has to check these lists at random to see that no names have been erroneously omitted or included. In Malda district, where 2½ thousand tonnes of foodgrains valued at Rs. 2.29 crores were distributed free between 1968-69 and 1971-72, no such priority lists had been prepared. In test-check in Hooghly and Bankura districts where foodgrains were distributed free in different years, it was seen that priority lists were prepared late and were then not always scrutinised or approved. The percentage of population to whom gratuitous relief may be given was increased by Government during periods of distress, a specific percentage being fixed for each district on each occasion. In three districts, 55.66 lakhs units of foodgrains (unit signifying one day's ration for one person) were distributed between 1970-71 and 1973-74 as against 29.57 lakh units admissible according to the percentage approved by Government; the value of foodgrains distributed in excess in this sense was Rs. 72.03 lakhs. In a Sub-division of West Dinajpur where 15 percent of the population was to be covered in August 1972, foodgrains were distributed to 20 to 30 per cent of the population; value of foodgrains distributed in excess was Rs. 4.25 lakhs. In Malda district, consequent on a flood, wheat was to be distributed for a fortnight in August 1971 in a municipality to certain

categories of persons excluding professional people, those in service and traders. Actually, 668 tonnes of wheat were distributed in that fortnight against 240 tonnes admissible, the excess expenditure being Rs. 3.74 lakhs. No priority lists had been prepared, nor were acknowledgement of recipients available (July 1974). The State Government had decided in October 1970 that distribution of foodgrains in Hoogly district in the first fortnight of November 1970 was unnecessary; nevertheless, foodgrains worth Rs. 13.44 lakhs were distributed. Similarly, in a Sub-Division of that district foodgrains valued at Rs. 2.46 lakhs were distributed in September and October 1971 though the Sub-Division was not included in the relief programme. Further, in that district foodgrains valued at Rs. 18.95 lakhs were distributed in 1971-72 as flood relief three to four months after occurrence of the floods. In a block in Nadia district where floods had occurred in July and August 1971, wheat costing Rs. 1.97 lakhs was distributed as flood relief in November 1971. On the occasion of the Pujas in 1972 in that State, 3.10 lakh dhoties, sarees and children's garments worth Rs. 10.09 lakhs were purchased for distribution to distressed persons, a quota of 200 pieces of dhoties, 100 pieces of sarees and 800 pieces of children's garments being fixed for each Assembly Constituency for distribution through Members of Legislative Assembly. From such records as were available, it was seen that 32,860 pieces of clothings were distributed through 26 Members of Legislative Assembly and a Member of Parliament. Complete record of distribution was not kept.

5.8. A noteworthy feature was that both gratuitous relief and relief works were continued in certain districts for very long periods, sometimes throughout the year. For instance, foodgrains are to be distributed free for a short period (two or three week) after a flood, but distribution actually continued for more than 6 months after the floods of 1970-71 and 1971-72. The Central study team had observed (June 1972) that disbursement of gratuitous relief was continued in Bankura district whether or not there was a drought. In Purulia district where expenditure on relief measures had been incurred every year, the Collector had indicated (March 1973) that the district "survives on test relief expenditure. In fact, if this source is stopped, the district economy will be in the doldrums". From a report furnished by him to the State Government in March 1973, it seems that the real problem was that 14.78 lakhs of the rural population, including 1.69 lack agricultural workers have no income between January and July each year, their income during the rest of the year being inadequate to support them through this period. Conditions seem to be similar in Bankura district.

OTHER RELIEF MEASURES

5.9. Apart from relief works and gratuitous relief in cash or kind mentioned in *Chapters V and VI, State Governments also initiated certain other relief measures necessitated by floods, cyclones or drought.

5.10. Where there was a drought, relief measures included provision of drinking water, cattle conservation and supply of fodder, supply of seeds, fertilisers, etc., grants to, or relief schemes for weavers, artisans and others, remission of revenue and reimbursement of tuition fees, medical relief, provision of nutritious food to relief workers, etc. Measures initiated in the wake of floods and cyclones also included repairs to public properties, such as irrigation sources, buildings and roads, grants for repair or reconstruction of damaged houses and grants for repair of school buildings.

5.11. During the five years April 1969 to March 1974, of Rs. 924.22 crores spent on relief measures, Rs. 142.40 crores were spent on such items. Important and interesting points noticed in review of expenditure on such relief measures are mentioned in the succeeding paragraphs. (Pages 85—117 of Audit Report).

5.12. In repair of irrigation sources, roads, etc., in West Bengal, Tamil Nadu, Orissa and Himachal Pradesh there was considerable delay in starting or completing the repairs; in fact, many assets were repaired a year or so after the flood or cyclone, or were lying unrepaired at the time of Audit. Instances were also noticed where there was doubt regarding the technical quality of the work done. Arrangements for supply of fodder for cattle suffered from some deficiencies, e.g., delays in procurement and distribution, some stocks left unsold, etc. In many cattle camps, particularly in Maharashtra and Rajasthan, the number of cattle looked after was much less than planned. Programmes to obviate shortage of drinking water in certain areas were characterised by delays, technical failures, etc. Substantial sums were spent, particularly in Karnataka, on purchase of rigs and other equipment, many of which did not help to resolve the current problem; in some States, including Uttar Pradesh, money was utilised for purchase of pipelines, pumps, etc., for which funds were allotted at the end of the financial year. Subsidies for repair of houses as also reimbursement of tuition fees and grants and loans to weavers, artisans, etc., were often distributed late and, in many instances, eligibility had not been properly checked. Schemes to provide relief employment to weavers met with very limited success in the three or four States where substantial sums were spent on such scheme, few individuals being provided with employment for very short periods. Some seeds purchased were substandard, seeds were also distributed late or cash was given to help

*Chapters IV and V of PAC's 5th Report.

cultivator to overcome shortage of seeds when the State Government itself was unable to purchase seeds.

[Paragraph 3.11.2, 3.11.3, 6.1.1. to 6.1.4, 6.2, 4.8.4, 7.1.1 of the Supplementary Report of C&AG for the year 1973-74 (Part I), Union Government. (Civil)]

5.13. The Committee are given to understand that the Government of India decided as early as 1953 that gratuitous relief should be given only to the disabled and the like persons who were unable to work. This was reiterated in 1966. Notwithstanding this position, expenditure on gratuitous relief including cash doles to disabled and indigent persons during the five years ending March, 1974 amounted to Rs. 110.68 crores, the States which spent the largest amounts on this account being Uttar Pradesh (Rs. 29.77 crores), West Bengal (Rs. 27.88 crores) and Bihar (Rs. 18.28 crores). The Committee, therefore, desired to know whether Government of India have made an assessment of the adequacy of the measures taken by various States to restrict and control expenditure on doles and whether any steps have been taken to dissuade the States from spending so much on gratuitous relief. In reply, the Ministry of Finance stated in a note:

“In their discussions with the States, the Central Teams generally cautioned the States against spending larger amounts on doles and gratuitous relief. In fixing the ceiling for this item, the Central teams used to take into account only what they considered reasonable in the circumstances of the situation. If a State Government spent larger amounts on gratuitous relief, it had to find the necessary resources on its own. Further in computing the Central assistance payable for relief items, the margin money allocated by the Finance Commission was first deducted, from the ceilings recommended by the Central teams. The net result was that Central assistance given for gratuitous relief was not of a significant order.

The whole situation has changed with the introduction of the new policy with effect from 1-4-1974. Expenditure on non-plan items like gratuitous relief is now entirely the responsibility of the States.”

5.14. In the course of evidence, it was pointed out that the Central Team reported in June 1972 that disbursement of gratuitous relief was continued in Bankura district of West Bengal even when there was no drought and that according to the Collector of Purulia district of West Bengal, his district “survives on test relief expenditure. In fact, if this

source is stopped, the district economy will be in dol drums." The Committee enquired if Government of India had considered the desirability of separating relief consequent on a natural calamity from normal relief which was being given as a measure of social security. In reply, the representative of the Ministry of Finance has stated in evidence:

"Regarding West Bengal, there is a very peculiar situation, they have their own resources. I believe that even in normal times about 0.2 per cent of the population in certain specific districts of which Purulia is one is being given gratuitous relief from their own resources year after year. The economic condition is such that gratuitous relief is given and the expenditure is met by the West Bengal Government."

5.15. Asked if the practice of spending relief funds as a social security measure adopted by the Government of West Bengal was peculiar to that State only or whether it was followed in other States also, the witness has stated:—

"It is totally out of line with the other States for the simple reason that the State Governments have adopted it as their normal policy to give the gratuitous relief in certain districts for a certain specified population. It does not mean that they are taking the central assistance against that expenditure."

5.16. The Committee wanted to know if prior to 1 April, 1974, the Centre used to defray expenditure on gratuitous relief only when there was a calamity or whether the Centre met expenditure incurred by States even in normal times. The Ministry of Finance have confirmed in a note that:

"Each State follows its own policy in regard to social security schemes and defrays the consequent expenditure from its own resources. The Centre does not give any assistance to States towards any expenditure that they may incur on gratuitous relief in normal times. The Centre came into the picture only when gratuitous relief had to be given as a consequence of a widespread natural calamity. Even then, the Centre used to dissuade the States from spending large amounts on doles or gratuitous relief."

5.17. The instances of delays and deficiencies in the administration of "other relief measures" such as free or concessional supply of seeds, fertilisers and other agricultural input, grants for repair of houses, provision of drinking water etc. as pointed out by Audit in respect of the various States are given below.

Other Relief Measures	States concerned
(1) Drinking water supply	Maharashtra, Rajasthan, Gujarat, Andhra Pradesh, West Bengal, Karnataka, Uttar Pradesh and Tamil Nadu.
(2) Repair and restoration of roads, irrigation works, drains, embankments etc.	Rajasthan, West Bengal, Orissa, Himachal Pradesh, Assam and Tamil Nadu.
(3) Distribution of Seeds	Karnataka, Orissa, Uttar Pradesh, Assam.
(4) Measures to relieve fodder scarcity	Maharashtra, West Bengal, Rajasthan, Gujarat and Karnataka.
(5) Grants for repair of houses	West Bengal, Orissa, Uttar Pradesh, Bihar.
(6) Repair and restoration of School and College buildings.	West Bengal, Orissa, Bihar, Assam.
(7) Educational concessions	Uttar Pradesh and Orissa.
(8) Medical Relief	Uttar Pradesh.
(9) Reconstruction of villages—damaged by tidal bores.	Orissa.
(10) Houses for Adivasi and Harijan Families	Orissa.
(11) Orchards	Himachal Pradesh.
2) Grants to, or relief Schemes for weavers and artisans.	Gujarat, Andhra Pradesh, Karnataka and Bihar.

5.18. The Committee desired to know if the Government of India were aware of delays in the administration of "other relief measures" and if so whether the reasons therefor had been examined. The Ministry of Finance have stated in a note, that:

"As this is a matter falling within the administrative jurisdiction of States, it is not possible to explain the reasons for delays or deficiencies in execution of relief measures of the kind mentioned above."

5.19. The Committee asked why the light manual schemes initiated in certain States notably Gujarat, Andhra Pradesh, Karnataka and Bihar for artisans like weavers met with little success. In their reply, the Ministry of Finance have pointed out that this is not a major scheme for which Central financial assistance is provided and that Central Teams are generally not in favour of encouraging this scheme as a relief measure. The drought relief measures are according to the Ministry meant mainly for the people employed in agriculture.

5.20. The Government of Andhra Pradesh have explained that the weaver class in Andhra Pradesh which constitute a sizeable population in the rural areas were equally affected by drought conditions prevailing in the State and relief had to be provided to this artisan class with the concurrence of the Planning Commission. Funds were provided for starting work centres for the weavers to enable them to tide over the drought.

5.21. The Government of Bihar have intimated that in order to provide employment to these sections of people who could not work on Heavy Manual Labour Schemes, the following schemes were taken up in the category of Light Manual Labour Schemes”:

- | | |
|--|--|
| (1) Scheme for Spinning and Weaving Khadi. | To be executed through the Bihar State Khadi and Village Industries Board under the administrative control of the Industries Department. |
| (2) Handloom Scheme | To be executed through Bihar State Weavers' Handloom Cooperative Union under the administrative control of the Cooperative Deptt. |
| (3) Handicrafts Scheme | To be implemented by the Director of Industries. |

5.22. The State Government admitted that “it is a fact that these schemes met with little success”. Consequently Light Manual Labour Schemes were not resorted to by the State Government in subsequent years.

5.23. The Committee note that during the five years ending March 1974, the State Governments spent as much as Rs. 110.68 crores on ‘Gratuitous Relief’ including cash doles to disabled and indigent persons, free or concessional supply of food, clothes and similar items. The States which spent the largest amounts on this account are Uttar Pradesh (Rs. 29.77 crores), West Bengal (Rs. 27.88 crores) and Bihar (Rs. 18.28 crores). The Committee understand that as early as 1953 Government of India had decided—the decision was reiterated in 1966—that gratuitous relief should be given only to disabled and like persons who were unable to work. In their discussions with the States, the Central Teams had also been cautioning the States against spending larger amounts on doles and gratuitous relief. The Committee are, however, concerned to note that despite repeated advice from the Central Government, the States have been spending on gratuitous relief liberally.

5.24. The Committee also find from the Audit Report that the scope, scale and the principles governing grant of gratuitous relief vary from State to State. In certain States e.g. Bihar, Uttar Pradesh, Jammu & Kashmir, the principle of gratuitous relief has been extended to fires in

which houses of many people are burnt. In certain States notably West Bengal, gratuitous relief was even treated as a social service payment which was distributed almost every year whether there was a calamity or not. Though with the change in the pattern of Central assistance from April 1974, expenditure on gratuitous relief is met by the States themselves, the Committee would like the Central Government to evolve, in consultation with State Governments, guidelines and principles for the grant of gratuitous relief and commend them to the State Governments for observance. This would make for uniformity of approach to the problem.

5.25. As the Audit Report shows besides undertaking Relief Works for and providing Gratuitous Relief to the people in distress, State Governments have been taking 'other relief measures' like provision of drinking water, cattle preservation, supply of fodder, seeds, fertilisers, grants to, or relief schemes for weavers, artisans and others, remission of revenue, reimbursement of tuition fees, medical relief, repairs to public properties, such as irrigation sources, buildings and roads, grants for reconstruction of damaged houses and grant for repair of school building. The expenditure on these measures amounted to Rs. 142.40 crores during the five years April 1969 to March 1974. The Committee are distressed to note that as pointed out by Audit, there were delays and even deficiencies in the administration of such measures.

The Committee need hardly emphasise the need for the administration of relief measures in a manner that ensures timely but adequate relief to the people in distress. The Committee desire that the attention of the State Governments may be drawn to the defects in the administration of relief pointed out by the Audit for studying their cases and drawing lessons therefrom to avoid them in future.

CHAPTER VI

LONG TERM AND OTHER PROGRAMMES

Drought Prone Areas Programme

Audit Paragraph.

I. Conception of the Programme

6.1. As mentioned earlier, relief works are to be undertaken in drought affected areas essentially to provide employment to affected persons; other relief measures were also initiated in the context of the current drought and usually terminated when the drought was over. Government of India, in the Ministry of Food and Agriculture*, decided in February 1970 that it would be necessary to take up a programme for integrated development of certain areas which were chronically affected by drought to mitigate, if not eradicate totally, scarcity conditions in those areas. Accordingly, in 1970-71 the rural works programme (renamed in January 1972 as the drought prone areas programme) was started as a non-Plan Central sector programme with an outlay of Rs. 100 crores during the Fourth Five Year Plan ending March 1974.

6.2. State Governments were informed of the decision on 17 April, 1970. They were asked to identify areas in the selected districts which deserved attention, to select appropriate schemes or works keeping the priorities of the programme in mind, to create a suitable coordinating agency and to compile detailed estimates for schemes to be executed in 1970-71 by 30 April, 1970. A team of Central officers was to be sent to each State to finalise the year's programme by 15 May, 1970.

6.3. Master Plans were to be drawn up by State Governments by 30 September, 1970 after taking note of all development schemes being implemented and were to be such that moneys available for distress relief could be used to further the objectives of the programme. They were to be discussed by Central teams in October and November so that by December 1970, the master plans could be submitted to the Government of India.

*In the Ministry of Agriculture this Programme was handled initially by the Department of Agriculture and later by the Department of Rural Development.

Selection of Districts and Schemes

6.4. In selecting districts, factors like incidence of rainfall, chronic liability to drought, environmental conditions and availability of other avenues of employment were to be taken into consideration. In selecting schemes for implementation, the following priorities were to be kept in view:

- (i) Major, medium and minor irrigation projects which were to include field utilisation activities, land levelling and other infrastructure facilities necessary to develop the command area, for instance, roads and marketing complexes, wherever necessary.
- (ii) Soil conservation and afforestation.
- (iii) Village and district roads necessary to open up the area and to increase agricultural production.

6.5. Without prejudice to *inter se* priority of the schemes preference was to be given to schemes which were labour-intensive. Relief works taken up earlier in any district but left incomplete and not transferred to the State sector were to be accorded priority if other conditions were satisfied. The main emphasis under the programme was to be on creation of new irrigation sources, repairs of a substantial nature to existing works which added to irrigation potential could also be taken up. Precise data of ground water and sub-soil water were to be collected before taking up schemes. Soil conservation works on private lands of farmers were to be financed to the extent of 75 per cent by loan and 25 per cent by grant and dugwells to the extent of 66-2/3 per cent as loan and the rest as grant. Any State which had a different pattern of assistance for such works was to obtain the approval of the Government of India for continuing the existing pattern. Specifications of works included in the programme in each State were to be the same as for similar works undertaken by the State Government in its own schemes. Only all-whether *pucca* roads were to be constructed. Maintenance of the completed works was to be financed by the State Governments from their own funds.

Financing of the programme

6.6. The scheme was to be a Centrally sponsored non-Plan scheme to be fully financed by grants from Government of India to the State Governments except that (a) purchase of equipment, vehicles, etc. was to be financed by loans; the State Governments could charge 1½ per cent of the cost of works as hire charges for the machinery and (b) soil conservation works and dugwells on private lands were to be financed in the manner stated in the preceding paragraph. While allocation of funds for the programme in each State was to depend on suitability of schemes proposed to be taken up in the selected areas, the states were asked to proceed tentatively on the assumption that a little over Rs. 2 crores

would be available for each district during the remaining four years of the Fourth Plan. Sub-allocation between the districts was to be decided by each State Government; the total outlay available to each State was to be distributed equitably among the various areas selected for coverage. While formulating the schemes, the States were to ensure that the programme did not result in substitution or slowing down of the normal development programme already drawn up or contemplated in the Fourth Plan period. They were to ensure that funds allocated to selected districts under the programme were not diverted to other districts or schemes which did not form part of the programme. Subsequently, at the mid-term appraisal of the Fourth Plan in 1971-72 it was decided that the programme would be classified as a Plan scheme for 1972-73 in view of the developmental nature of the programme.

Master Plans

6.7. State Governments were asked to prepare master plans so that schemes under the programme could be integrated and dovetailed with schemes under Plan and non-Plan development programmes in each drought prone district or unit. Each master plan was intended to serve as a set of well-considered schemes with defined *inter se* priority which could be taken up for implementation if scarcity conditions developed while the programme was in progress. Schemes to be taken up under the programme from 1971-72 onwards were to be only such as were included in the master plans. The master plans submitted by the States were to be sanctioned by a Committee comprising representatives of the Union Department of Agriculture, Planning Commission and Ministry of Finance. Funds allotted for relief works as and when scarcity conditions developed in drought prone districts were to be immediately utilised for implementing schemes under the master plan.

Progress

6.8. In April 1970, 23 districts in 7 States were selected under the programme and 33 more districts in 6 States and contiguous areas in 18 other districts were selected during the subsequent 2 years. Thus, the programme covered 56 districts and contiguous areas in 18 other districts in 13 States as indicated in Appendix VII.

6.9. The programme was started in various States between October 1970 and June 1971 except in Bihar (where work was started in October 1971) and Jammu and Kashmir (where schemes were approved in July 1971 and work started in November 1971). Total outlay approved and

amount of administrative approvals for schemes under the programme is indicated below:

Period	Number of districts covered	Total outlay approved	Total amount of administrative approvals issued	Expenditure
(Rupees in crores)				
In 1970-71	45	N.A. @	13.85	6.49
Upto March 1972	56 and contiguous areas in 18 other districts	76.67	44.36	31.00
Upto March 1973		111.81*	83.98	67.00

@Not available

*Includes some amount approved in 1973-74.

6.10. As mentioned earlier, master plans for each district included under the Programme were to be drawn up by the end of December 1970 as great importance was attached to such master plans. Master plans were prepared and approved for the districts of certain States, for example Gujarat and Maharashtra, without much delay. But in Rajasthan even by October 1972 master plans of 8 districts out of ten where the programme was being implemented had not been prepared. Till the time of the review (September 1974) master plans for three districts (Jalore, Pali and Nagaur) were yet to be prepared. In the absence of the master plans, funds allotted for relief works during the famines of 1972 and 1973 were utilised on schemes not properly considered in advance. Also a number of new works were sanctioned and taken up which did not eventually find a place in the master plans (wherever prepared), and a number of works included in the master plans were not taken up at all.

Revision of concept and enlarging the scope of the programme.

6.11. In the original concept, the main emphasis had been on schemes, being labour intensive, so as to ensure that the programme would generate employment opportunities in those areas where the problem of rural unemployment and under-employment was acute. In January 1972 during the mid-term appraisal, the Programme was re-oriented. According to the revised concept, the primary focus was to be on development works so as to provide a permanent solution, to the extent

possible, of the drought problem rather than on schemes merely to create employment opportunities.

6.12. Actually, schemes conforming to the revised concept were newly sanctioned for only some districts in Gujarat and Rajasthan as it was thought that by that time most schemes had already been sanctioned and it was not possible to introduce major changes in schemes already approved to re-orient them to the new pattern. No attempt was made, as far as could be ascertained, in the majority of the States to re-orient the programme to the new concept.

6.13. It will be seen from paragraph 6.8 above that till March 1972 administrative approval for scheme amounting to Rs. 44.36 crores had been given by Government of India. Actual expenditure in the States till December 1971 was about Rs. 13.68 crores. In the next financial year (1972-73) administrative approval was accorded by the Government of India to schemes aggregating Rs. 39.62 crores. An outlay of Rs. 35.14 crores was approved in 1972-73 and thereafter. Further as mentioned in detail in subsequent paragraphs, a number of schemes were started only in 1972-73 or later. Thus it would appear that the assumption that there was no real scope in February 1972 for re-orientation of the works in the programme in many States was not entirely justified.

6.14. In Rajasthan, four important schemes were approved in 1972-73 for inclusion in the re-oriented programme. These schemes were:—

- (a) Rural water supply scheme estimated to cost Rs. 3.35 crores.
- (b) Dairy Development scheme for which Rs. 1.04 crores were allotted.
- (c) Drought proofing project in Barmer district for which Rs. 0.99 crore were allotted in 1972-73.
- (d) Migratory sheep scheme in Jaisalmer district for which Rs. 0.40 crore were allotted in October 1972.

6.15. Twenty-nine works were sanctioned and started under the rural water supply scheme. While Rs. 1.62 crores were spent, only two water supply schemes were completed till March 1974 and five schemes were completed till March 1975. For the dairy development scheme, the allotment of Rs. 1.04 crores was reduced to Rs. 0.40 crore in August 1973. Plans to activate five tubewells and establish numerous milk chilling centres in Jaisalmer, Pali, Nagaur and Jalore districts were thereupon reduced in scope to establishment of only four milk chilling centres in Pokaran, Pali, Bollotra and Merta towns. One of these was reported to have been commissioned in 1974-75. The other centres had not been

commissioned (February 1975) as some equipment had yet to be received and buildings were not ready.

6.16. The drought proofing project in Barmer district envisaged provision of an infra-structure for increasing production of milk, mutton and wool, by electrification of tubewells and increased supply of potable water, improvement of breed of cattle and sheep and similar other measures. This project was not taken up at all. The migratory sheep scheme in Jaisalmer district was to develop a large pasture (area about 20,000 acres) which would create a reserve of fodder for that district and also receive sheep during a drought. This project was expected to obviate the need for migration of sheep during drought which causes starvation and death of the animals and misery to the breeders. It was also expected to increase wool and mutton production. This project was also not taken up either.

6.17. For Gujarat, water supply schemes (estimated cost: Rs. 1.03 crores) to cover 76 villages and a pasture development scheme (estimated cost: Rs. 0.16 crore) were approved according to information furnished by the State Government. *Rupees 0.74 crore were spent upto March 1974 on the former but works taken up under the scheme remained largely incomplete.

6.18. The pattern of the programme approved for Haryana was essentially different from that approved for other States, as most of the money was to be used as part of the requirements for three major irrigation schemes which would have a total cultivable command area of 1.49 lakh hectares. For these three on-going schemes, namely Loharu lift irrigation scheme and increasing the capacity of the Jui Canal and the Jhajjar lift irrigation schemes, rupees three crore were given by the Central Government against Rs. 17 crores reported to have been spent on the three schemes by the State Government. While work on the Jhajjar lift irrigation scheme was reported to have been completed, works on the other two were in progress (December 1974).

Expenditure incurred under the programme, Central assistance, etc.

6.19. Against Rs. 111.81 crores sanctioned for various schemes in the 13 States, Rs. 92.27 crores were spent by the States, including amounts spent after July 1973 on minor irrigation works in accordance with the instructions issued by Government of India in October 1973. The Central Government had approved outlay of more than Rs. 10 crores each in the six States of Rajasthan (Rs. 19.74 crores), Uttar

*According to Government of India, the schemes were to cover 123 villages at an estimated cost of Rs. 0.70 crore.

Pradesh (Rs. 11.66 crores), Maharashtra (Rs. 12.64 crores), Gujarat (Rs. 13.93 crores), Karnataka (Rs. 13.11 crores) and Andhra Pradesh (Rs. 10.10 crores).

6.20. Expenditure as reported in the 13 States is as shown below:

	Expenditure (Rs. in crores)	Percentage of total
1. Irrigation	51.07	56.00
2. Roads	23.50	26.00
3. Afforestation	7.22	7.50
4. Soil Conservation	6.15	6.50
5. Other schemes	4.33	4.00
	92.27	100.00

6.21. Expenditure incurred and the Central assistance released are indicated in Appendix VIII. It will be seen from the above table that though road works were to be given the lowest priority, expenditure on roads was 26 per cent of the total expenditure; in fact, the Union Department of Agriculture had itself approved expenditure on roads equal to 24 per cent of the total outlay. Expenditure on roads incurred in Jammu and Kashmir, Tamil Nadu, Bihar, Andhra Pradesh and Rajasthan was more than one third of the total expenditure in the respective States.

6.22. The broad picture of the works undertaken in the various main sectors as seen from reports and records was as given below:

Irrigation Schemes.

6.23. Irrigation schemes undertaken under the programme were mostly minor or medium irrigation works except in Haryana where some major schemes were taken up.

6.24. In 29 districts of eight States where the Programme was implemented, 2,560 minor irrigation schemes were to be undertaken to irrigate 2.47 lakh hectares. Till March 1974, 1,099 works were completed which had an irrigation potential of 0.48 lakh hectares*. Total

*The figures indicated in the review relating to the number of irrigation schemes approved, the area to be irrigated, the number of schemes completed till March 1974 and the irrigation potential created, are based on the records of the State Governments or implementing agencies. Government of India (Department of Rural Development) have intimated different figures in some cases. The Department has been requested to reconcile the differences.

expenditure in these eight States was Rs. 37.12 crores (out of Rs. 51.07 crores spent in all States on minor irrigation). In 18 districts of 4 other States, 1,743 works were completed against 2,576 works which were taken up.

Karnataka.

6.25. Some works under minor irrigation could not be started due to delay in acquisition of land and also because of water collected in some tanks on account of heavy rainfall preventing taking up of the works. This resulted in large savings under this item. To utilise the savings, the State Government approved in December 1973 taking up of 222 fresh minor irrigation works costing Rs. 0.78 crore. Approval of Government of India in this regard sought for in January 1974 was not accorded. Actually, 290 additional works (estimated cost: Rs. one crore) were taken up and Rs. 0.50 crore spent till March 1974. Of these, 175 works remained incomplete (March 1974). These works included 42 lift irrigation works for pumping water from tanks and springs. Rupees 0.17 crore were spent, Rs. 0.07 crore on pumpsets and pipes and the balance on civil works. All these works were incomplete as civil works were not completed; pumpsets and pipes remained unused (August 1974).

Uttar Pradesh.

6.26. While it was stipulated that funds allotted to the selected districts should not be diverted to other districts or programmes not forming part of the scheme, it was observed that this was not followed in many cases, e.g., in the case of Barundha distributary of Mirzapur district the project (estimated cost: Rs. 1.04 crores—revised to Rs. 1.12 crores) provided, *inter alia*, for remodelling of 17 miles of channel. There was no provision for construction of new channels. Actually, 29 miles of new channels were constructed and 24 miles of channels remodelled. Rupees 1.08 crores were spent thereon till March 1974. Although scheduled for completion by March 1973, the work was not completed till March 1974. There were substantial savings under this project which were utilised for execution of additional works. Similarly, in the Belan Canal Division entrusted with the construction of new channels under this scheme, Rs. 0.04 crore were spent on constructing, strengthening and remodelling of distributories, minors, etc., which did not pertain to the programme.

6.27. In Uttar Pradesh, only 18 irrigation schemes out of fifty were completed even though the expenditure of Rs. 8.69 crores exceeded the estimated cost of Rs. 8.64 crores. Against the target of 0.69 lakh

hectares, irrigation potential of only 0.14 lakh* hectares was created till March 1974. The shortfall in execution of two irrigation schemes in Banda district was attributed mainly to dearth of (i) labour and agencies for execution and (ii) adequate means of conveyance for carriage of materials and movement of personnel.

West Bengal.

6.28. In West Bengal, lack of progress in improvement of tanks in Purulia and Bankura districts and of minor irrigation works in Purulia district was attributed, *inter alia*, to shortage of labour partly because a large number of relief works were in progress and also (for minor irrigation works) to technical reasons such as lack of proper survey before commencement and lack of coordination between different departments.

Andhra Pradesh.

6.29. In Cuddapah district, all irrigation schemes taken up and on which Rs. 0.68 crore were spent, were only restoration and repair works which did not *prima facie* add to the irrigated area.

Gujarat.

6.30. Of 96 tubewells approved for construction in seven districts, only 67 tubewells were drilled at a cost of Rs. 0.62 crore, including 20 tubewells costing Rs. 0.21 crore found to be useless either as water was not available or was not potable. The remaining 24 tubewells were not drilled, it was reported, for want of funds.

Road works.

6.31. Road works estimated to cost Rs. 27.19 crores were approved for execution in 11 States against which Rs. 23.50 crores were spent by ten States excluding Maharashtra which did not incur any expenditure on roads. No road works were sanctioned or executed in Haryana and West Bengal. Almost the entire expenditure on road works in Bihar under the programme was on improvement of existing kutchha roads. In other States too, improvement of existing roads was taken up. It will be recalled that only construction of new all-weather roads to open up inaccessible areas was contemplated. In Cuddapah district of Andhra Pradesh, Rs. 0.65 crore (38 per cent of the total outlay in the district) were spent on special repairs and improvements to existing roads and no new roads were built.

*According to Government of India, the figure is 0.31 lakh hectares.

Rajasthan.

6.32. Although under the programme only village and district roads necessary to open up the area were to be undertaken, construction was undertaken of two new roads of which one, 45 kms. long, was to be a State Highway and the other 16 kms. long, was to join Rajgarh in Rajasthan with a town in Haryana. Rupee 0.25 crore were spent on these roads, but though some stretches of each road were completed, no work was done on other reaches because there were land disputes.

Gujarat.

6.33. Rupees 0.55 crore were spent till March 1973 on 18 major district roads even though such roads did not strictly fall within the scope of the programme. Government of India explained that for Gujarat they also allowed inclusion of major district roads which were in areas covered under the programme.

Tamil Nadu.

6.34. Rupees 0.40 crore were spent on State Highways which was not envisaged in the programme. Construction of 14 other roads (Expenditure: Rs. 0.03 crore), not approved by the Government of India was taken up.

Forest Schemes.

6.35. Forest Schemes at an estimated cost of Rs. 9.05 crores were approved for implementation in 12 States, against which Rs. 7.22 crores were spent in 11 States. For West Bengal, an outlay of Rs. 0.48 crore was approved both for afforestation and soil conservation schemes; Rs. 0.28 crore were spent on such works. No afforestation scheme was approved for Jammu and Kashmir State. The type of works that were approved under forest schemes were plantation of trees, sowing of grass, contour marking, construction of anti-erosion barrels, digging of trenches, preparation of pits, plantation of seeds and seedlings, weeding, rehabilitation of degraded forests, farm forestry, fuel wood plantation, drinking water tanks for cattle, formation of new forest roads and improvement of forest roads.

Karnataka.

6.36. In Kolar project area, expenditure was nearly 50 per cent. It was stated that the regular non-agricultural labourers preferred to work on other types of works taken up under Plan and non-Plan schemes in

view of the transportation and other facilities provided by the contractors. Agricultural labourers were engaged on agricultural operations and preferred to work near their villages and fields and were reluctant to take up hard work in areas slightly away. Government of India stated (November 1975) that the shortfall was mainly due to investigation of certain allegations in implementation of the programme, which remained suspended.

Bihar.

6.37. In January 1972, the sanctioning committee of the Government of India recommended that only such forest roads which link areas being afforested should be included in the programme. It was, however, noticed that no forest road included for construction or improvement was to link areas being afforested. A road from Garu to Benari (40 kms. in length) was taken up for construction to provide a shorter route to a place of tourist attraction. The work was stopped in August 1973 after Rs. 5.47 lakhs were spent. Some small works including trenches around the Palamau National Park, as also improvement of 116 kms. of forest roads were implemented. A few of these were not included in the master plans of the districts.

Soil Conservation.

6.38. Schemes costing Rs. 9.20 crores were approved for execution in 11 out of 13 States, that is excluding Madhya Pradesh and Uttar Pradesh; as stated in paragraph 6.35, an outlay of Rs. 0.48 crore was approved both for afforestation and soil conservation schemes in West Bengal and Rs. 0.28 crore were spent thereon till March 1974. In Maharashtra, no separate records of work executed under the programme had been maintained. In fact, soil conservation work (mainly contour bunding and nulla bunding) had been done only on 2.87 hectares against the State's normal plan of 9.07 lakh hectares, and 1.37 lakh hectares under the programme.

6.39. In Karnataka, wasteweirs were built only in some of the areas. For instance, in Bijapur, wasteweirs were reported to have been completed on 0.04 lakh hectares out of 1.82 lakh hectares covered and in Chitradurga on 1.42 lakh hectares out of 1.99 lakh hectares covered.

6.40. Soil conservation works include formation of earthen bunds and construction of wasteweirs through which surplus water drains out. Works are considered complete only after wasteweirs are constructed as otherwise the bunds would be subject to scouring and erosion. On such of the land on which soil conservation was done (including some areas or works reported to be complete), wasteweirs had not been constructed.

Slowing down of works under the programme.

6.41. Although initially the programme was sanctioned for the last four years of the Fourth Plan, Government of India had realised that the programme in the Fourth Plan was only a beginning and a far heavier investment would be necessary for achieving the objective of the programme. It was, therefore, proposed to continue the programme under the Fifth Plan period also. An outlay of Rs. 187 crores was contemplated for the programme in the Fifth Plan.

6.42. On 17 July, 1973, Government of India advised State Governments telegraphically to stop all soil conservation, afforestation and road works under the programme because of financial stringency. Later, Government of India (Department of Agriculture) informed all State Governments (19 October, 1973) that Central assistance (Rs. 11.38 crores) released for 1973-74 was to be reckoned against expenditure already incurred till July, 1973 and any balance of the allotment left over could be utilised on minor irrigation works after July, 1973 till March, 1974. State Governments were also requested to complete the incomplete works out of their own resources in 1973-74 and 1974-75.

6.43. The programme had started somewhat tardily and by July, 1973 few of the schemes were complete. The effect of the telegram of July, 1973 followed by the circular letter of October, 1973 was that many works were left incomplete, work on a large number of which was not resumed later.

6.44. For example, in Rajasthan only Rs. 74 lakhs were spent during 1970-71 (because of delay in selection and approval of works) and the programme gathered momentum in 1971-72 and 1972-73 during which Rs. 3.98 crores and Rs. 6.63 crores respectively were spent. In 1973-74 when implementation of the programme was in full swing and Rs. 1.98 crores had been spent till July, 1973 under the programme, telegraphic instructions of the Government of India, referred to above, were received. The State Government wound up all schemes including irrigation works from 1 August, 1973 because expenditure till July, 1973 (Rs. 13.33 crores) had already exceeded the assistance (Rs. 9.31 crores) received from Government of India. Later, anticipating that Government of India would agree to grant a special ways and means advance of about Rs. 2 crores to cover the budgetary gap till the year 1972-73, the State Government allotted Rs. 1.50 crores in October, 1973 for completion of the incomplete irrigation schemes during the remaining part of the financial year, the balance being utilised to meet liabilities already incurred. As a result of stopping the irrigation works from 1 August, 1973 and restarting them after three months, the works were reported to have suffered considerable set-back and adverse effects, such as disputes with contractors.

6.45. In Gujarat, expenditure incurred from July, 1973 to March, 1974 was about Rs. 0.59 lakh. In Kutch district which is extremely arid, none of the 13 minor irrigation works taken up was completed.

6.46. In Uttar Pradesh, till July, 1973 when all road works under the programme were stopped, Rs. 2.95 crores had been spent against estimated cost of Rs. 3.75 crores for 37 roads. Only one road (about 4 kms.) in Allahabad district was completed. Thirty-six incomplete roads were reported to be at an advanced stage of construction. It was reported (August, 1973) by the Chief Engineer that due to stoppage of works, road materials worth Rs. 0.97 crore were lying unutilised on the road side. Work on 36 incomplete roads was resumed in December, 1973 on receipt of orders from the State Government. However, only 4 more roads were completed till March, 1974. Thus, out of 37 roads proposed, only 5 roads were completed though Rs. 3.34 crores (i.e., 89 per cent of the estimated cost of Rs. 3.75 crores) were spent.

Expenditure.

6.47. The figures of expenditure mentioned in paragraph 7 (*vide* paragraph 6.19 of this Report) above are as available from the records of the Government of India, presumably based on reports submitted by the State Governments. Total expenditure under the programme till March, 1974, according to these records, was Rs. 92.27 crores. However, the figures of expenditure furnished by the State Governments to the respective Accountants General aggregate Rs. 89.92 crores. These figures have not been reconciled, nor have these figures been reconciled with amounts appearing in the books at the State Accounts General.

6.48. The grants released to the various States under the programme were provisional and were to be formally adjusted on receipt of the duly audited and reconciled expenditure statements to be submitted by the State Governments. Reconciliation of the figures has, however, not been completed. Further, for the following reasons it has not been possible to identify amounts which would qualify for Central assistance:—

- (a) Accounts had not been maintained to book expenditure on this Programme separately.
- (b) The expenditure figures compiled by the departmental officers include some amounts which had not been spent but had been credited to deposit heads or which included items which were not eligible for grants or were in excess of the ceiling limits prescribed by Central Government for particular items. Items which would have qualified for loan assistance only, were also included under expenditure eligible for grant. Items which were not eligible either for grants or loans and

were out side the scope of the programme were mixed with the expenditure on the programme.

6.49. In the course of the review it was noticed, however, that amounts which were *prima facie* ineligible for Central assistance, were included in the expenditure reported by the State Governments to the Centre. A few instances were mentioned earlier and some others are mentioned in Appendix IX.

Conclusion.

6.50. In February, 1975 the Ministry noted that while expenditure totalling Rs. 92.27 crores had been reported, information on the physical content of the programme was either lacking or inadequate. No clear idea was available of what had been accomplished. From such information as was available, it was assessed that much of the outlay was on incomplete works which had not yielded results. For instance, while substantial amounts had been spent on irrigation in Gujarat, Madhya Pradesh, Maharashtra and Karnataka, benefits in terms of additional irrigation actually provided were low. In fact, in Madhya Pradesh, expenditure on irrigation works was more than the approved estimated cost of the schemes and yet more than 80 per cent of the schemes were incomplete. Nearly Rs. 4.5 crores had been spent on soil conservation works in Andhra Pradesh, Maharashtra and Karnataka. The average cost was slightly over 100 rupees per hectare which was low compared to existing norms leading to the conclusion that only low cost works had been taken up by the States. No idea was available of the extent of actual afforestation. It was felt that because of inadequate reports, the impact of the programme could not be assessed; it was also difficult to draw on the experience of the Fourth Plan to improve the content, management and system of monitoring of the programme during the Fifth Plan.

6.51. For the Fifth Plan, the programme was to be continued to aim at integrated agricultural development in the selected drought prone areas. Tentatively, Rs. 187 crores inclusive of Rs. 20 crores for irrigation projects in certain backward districts were allocated. The programme was now to be on the principle of matching contribution, that is, an equal amount was to be contributed by the State Governments. In 1974-75, Rs. 17.65 crores had been allocated subject to such adjustments as were necessary on the principle of matching contribution. A programme with a total outlay of Rs. 42 crores was approved. The schemes included under this programme were items such as irrigation, soil conservation, development of dry land farming, cattle, sheep and poultry development and drinking water, but not road construction. It could not be ascertained whether all works started but left incomplete during the Fourth Plan would be con-

tinued in the Fifth Plan. It will be recalled that many works were lying incomplete.

[Chapter IX (pp. 121—139) of the Supplementary Report of the Comptroller and Auditor General of India for the year 1973-74 (Part I), Union Government (Civil)]

A. Preparation of Master Plans

6.52. According to Audit paragraphs 6.2 and 6.3 States were asked on 17 April, 1970 to compile detailed estimates of schemes to be executed in 1970-71 by 30 April, 1970 and to prepare Master Plans for development of drought prone areas by 30 September, 1970 so that, after discussions with the Central Teams in October and November, the same could be submitted to the Government of India by December, 1970. However, the State Governments were able to prepare the Master Plans on the following dates:

Sl. No.	State	No. of Districts covered	Date of preparation of Master Plans	Districts
1.	Andhra Pradesh.	5	August, 1971	Mehboobnagar, Kurnool Anantpur, Cuddapah and Chittoor.
		2	May-July, 1972	Praksam & Nalgonda
2.	Bihar	4	January, 1971	Palamau, Nawadah, Babua and Sasaram (one unit of areas in 2 districts)
		1	April, 1971	Monghyr
3.	Gujarat	10	April, 1971	Banaskantha, Bhavnagar. Mehsana, Rajkot Panchma- hals, Kutch, Amreli, Ahmedabad, Surender- nagar and Jamnagar.
4.	Haryana	1	June, 1970	Mohindergarh.
		2	August-October, 1972	Bhiwani & Rohtak
5.	Jammu & Kashmir	2	June, 1971	Doda and Udhampur
6.	Madhya Pradesh	3	December 1970	Sidhi, Dhar & Jhabua
		1	July, 1971	Betul
		2	June, 1973	Shahdol & Khargaon (pro- posal of schemes)

Sl. No.	State	No. of Districts covered	Date of preparation of Master Plans	Districts
7.	Maharashtra	1	August, 1971	Ahmednagar.
		3	September, 1971]	Sholapur, Poona & Nasik.
		2	October, 1971	Satara and Sangali.
8.	Karnataka]	10	April, 1971]	Bijapur, Belgaum, Dharwar Chitradurga, Kolar, Gulbarga, Raichur, Ballary Tunkur and Chickmagalur
9.	Orissa	2	January, 1972	Kalahandi and Phulbani.
10.	Rajasthan	1	February, 1971	Jodhpur.
		1	January, 1972	Jaisalmer.
		1	July, 1972	Banswara
		2	January, 1973	Dungarpur & Barmer.
		1	May, 1973	Churu
		3	February, 1973	Udaipur, Ajmer & Jhunjhun
		2	November, 1970	Dharmapuri & Ramanathpuram
11.	Tamil Nadu	1	June, 1971	Allahabad.
		1	July, 1971	Banda
		3	March, 1972	Hamirpur, Jalaun & Varanasi.
		1	September, 1972	Mirzapur.
13.	West Bengal	3	November, 1970	Purulia, Bankura and Midnapur.

6.53. In short, Master Plans were prepared for 9 districts in 1970, 42 districts in 1971, 12 districts in 1972 and 8 districts in 1973. There was only one district viz., Mohindergarh (Haryana) for which Master Plan was prepared in time.

6.54. Only 23 districts in 7 States were identified under this programme by December, 1970. Other districts were selected during the subsequent two years.

6.55. The delay in the submission of the Master Plans in respect of the districts then identified under DPAP was attributed to the following main reasons:

- (i) Delays in the setting up of a strong State level coordinating authority serviced by suitable Senior Officers exclusively responsible for supervision and guidance in planning and coordination of various schemes;
- (ii) Lack of adequate technical staff in some districts for formulating schemes at the district and the State levels. This also delayed scrutiny of the proposals and the finalisation of the Master Plans;
- (iii) Time taken in the collection of detailed data on the schemes which were to be coordinated in the Master Plans as per guidelines issued.

6.56. During evidence, the Committee desired to know whether the time given by Government of India to the State Governments was adequate to enable the States to identify areas in selected districts which deserved attention, to select appropriate schemes, to set up suitable coordinating agency and to complete detailed estimates etc. In reply, the Secretary, Ministry of Agriculture and Irrigation has stated:

“The Government of India were very anxious in February, 1970 that these schemes should be introduced, if possible, from the financial year 1971 itself. We were fully aware that the time given was not adequate but we were also aware that the State Governments have always schemes ready with them in sectors like minor irrigation, roads and others which due to financial constraints and budgetary difficulties they are not in a position to implement. So there is always a shelf-full of schemes readily available with them costing nearly 50 per cent or 25 per cent of their annual budget provisions.”

6.57. In a note furnished after evidence, the Department of Rural Development (Ministry of Agriculture and Irrigation) pointed out that the sectors included in the programme were such for which adequate advance planning was normally done at the district level and were a part of the on-going programmes in the districts. The Department was of the view that the preparation of a list of schemes for which a period of 13 days was allowed should not be deemed to be synonymous with the master plans which were a more detailed exercise. They had given a period of six to nine months to States for preparation of Master Plans and this period, it was stated, was “at that time considered adequate.”

6.58. Since Audit paragraph 6.6 had also mentioned that States were to ensure that the programme did not result in substitution or slowing down of the normal development programme already drawn up or contemplated in the Fourth Plan, the Committee desired to know how implementation of this advice by the States was ensured. In reply, the Department of Rural Development have stated that the aforesaid advice was contained in the instructions issued to the State Governments on 17 April, 1970 (Appendix X) and that the following measures were taken in this regard:

- (i) Under the check list for preparation of district-wise projects circulated to the State Governments on 30 July, 1970, the State Governments were requested to indicate clearly State Plan and Non-Plan provision on each item proposed to be taken up under this programme.
- (ii) In the sanction letters conveying administrative approval of the Government of India to the normal work programme in the States, a specific condition was also incorporated to the effect that the State Governments would make sure that the Rural Works Programme did not result in the substitution or slowing down of the normal development programmes, already drawn up or contemplated by the State Government for the Fourth Plan period and would be additional programmes.
- (iii) On 23 September, 1970, Government of India while outlining the procedure for release of Central assistance to the State Governments made it obligatory on the State Government to furnish each year, *inter alia*, a certificate to the effect that the expenditure reported on the Rural Works Programme is in addition to the budget provision (in Plan and Non-Plan account) existing for the Rural Works Programme districts.
- (iv) In the Guidelines issued to the State Governments in November, 1970, it was made clear that "the programme is conceived as an addition to the normal development effort in the selected districts under the State Plan/Non-Plan sectors and other Central/centrally sponsored schemes."

B. Re-orientation of the Programme

6.59. Audit paragraph 6.6 mentions that at the mid-term appraisal of the Fourth Plan in 1971-72 the programme (launched in 1970-71 as a Non-Plan Central Scheme with an outlay of Rs. 100 crores for the remaining period of the Fourth Plan ending March, 1974) was classified as a Plan scheme for 1972-73 in view of the development nature of the programme. On re-classification, an outlay of Rs. 70 crores for the remain-

ing two years of the Fourth Plan viz. 1972-73 and 1973-74 was approved.

6.60. Giving a background of this change-over from Non-Plan to Plan Scheme, the Department of Rural Development have stated in a note that a Task Force was constituted in October, 1971 with broad terms of reference as follows:

- (i) To spell out the main elements of a broad strategy of integrated rural development oriented towards more employment and better production base in the Fifth Five Year Plan;
- (ii) To work out illustratively the pattern of technology, investments and institutions for rural development programmes appropriate to different agro-climatic conditions and levels of development; and
- (iii) To review in the light of (i) and (ii) the on-going special programmes for rural development and rural employment and to suggest ways for their modification and synthesis into an integrated programme of rural development.

6.61. The Task Force submitted its Report in July, 1973. One of its main recommendations was:

“Since the various drought-prone areas do not represent a homogenous land and water resources situation, a uniform strategy of development cannot be made to fit all of them. However, some general guidelines regarding the ingredients which should be put into an integrated agricultural development plan can be indicated. These will have to be suitably modified and adjusted in the light of the local conditions.

The main thrust of effort will be in the direction of restoration of a proper ecological balance in these areas. Some of the important elements which may constitute the strategy for such ecological integrated development are listed below:

- (i) Restoration of ecological balance;
- (ii) Development and management of irrigation resources;
- (iii) Soil and moisture conservation and afforestation;
- (iv) Re-structuring of cropping pattern and pasture development;
- (v) Changes in agronomic practices;
- (vi) Livestock development;

- (vii) Provision of drinking water supply;
- (viii) Development of rural communications; and
- (ix) Development of Small Marginal farmers and agricultural labour.

6.62. In pursuance of the strategy of ecologically integrated development recommended by the Task Force on Integrated Rural Development, the following steps are stated to have been taken by Government so far:

- (i) Development is projected on the basis of careful assessment of resources—land, water, human and cattle in different project districts and efforts are made to link up various sectoral development scheme cogently and within a well-defined frame of action for optimum utilisation of land and water as a resource. Watershed has been considered as most suitable unit of scientific land and water use management. Programme of afforestation and pasture land development, soil and moisture conservation and dryland farming etc. are, therefore, taken up on watershed basis. This will help in reducing soil erosion, rainfall run off, improve the moisture regime and the productive capacity of the soil. Improved dryland farming techniques and land development practices will help in minimising production instability. The programme of cattle development is being linked with the marketing of milk and pastures and fodder development. Where dairying is a primary activity, the programme lays emphasis on an increasingly higher utilisation of water for fodder production. Linked to the primary activities the marketing and other infrastructural activities are proposed to be built. Improved pastures will help in raising the productivity of the large sheep population.

Development of irrigation resources is taken up with a view to extend the benefit of irrigation to as large a section of the rural population as possible. Consumptive use of surface and ground water irrigation sources is being made and new potential explored through ground water, surveys and investigation of surface irrigation sources. Together with improved command area development and water management practices, the production possibility of the land is proposed to be further improved.

- (ii) Instructions have been issued to the districts to prepare shelf of contingent plans which can be taken up for relief, employment in periods of acute drought.

- (iii) To have a strong planning base for the future, resource inventories are being prepared for all DPAP districts covering agriculture and allied sectors.
- (iv) Inter-disciplinary coordination committees have been formed at various levels to help formulate integrated plans to review and monitor the programme implementation and to suggest improvements.
- (v) Although the programme is basically oriented to area development, special provision has been made for extending the benefit of the programme to the rural poor. Efforts are made to provide special assistance to small and marginal farmers and agricultural labourers, priority being given to Scheduled Castes and the Scheduled Tribes through a system of graded assistance in the form of subsidy and through credit support measured. On an average 10,000 beneficiaries are proposed to be covered in each district during the Fifth Plan.
- (vi) To avoid Departmentalism District level Agencies/Authorities have been set up charged with the responsibility of planning, evaluation and coordination of the programme. These district bodies have been or are being delegated with financial, administrative powers etc. It is expected that this new structure under the Chairmanship of District Collector and with district technical Heads of Department as Members, will lead to more discipline and coordination in developing the programmes on the field.
- (vii) The programme is being jointly financed by the Central and the State Governments on an equal matching basis, as recommended by the Task Force on Integrated Rural Development. A graded system of allocation has been adopted for districts depending upon the coverage of the area under the programme. The Government outlay both States and Centre has been indicated at the rate of Rs. 6 crores for districts with a coverage of 75 per cent and more, Rs. 5 crores for districts with a coverage between 50 per cent. and 75 per cent and Rs. 4 crores for districts with a coverage of 50 per cent. For contiguous areas covered under the programme, Rs. 60 lakhs have been indicated per Tehsil covered. In addition, to the Government outlay, the Agencies have been instructed to ensure adequate flow of Institutional Credit.

6.63. In view of the new thinking, it was felt by Government that this programme would be oriented towards development rather than crea-

tion of infrastructure through labour intensive works. The programme was, therefore, to be viewed more as a permanent solution, to the extent possible, of problems of drought in the selected areas rather than a scheme merely to create employment opportunities in the rural areas. It was felt that no doubt, other things being equal, preference would continue to be given to the selection of schemes which were comparatively more labour-intensive but at the same time other schemes which were more relevant for meeting drought would not be discarded *ab initio* only because those were not labour-intensive. As a result, the scheme was reoriented as an exercise in micro-level planning for integrated area development.

6.64. The Committee desired to know if it was a fact that as a result of change over from Non-Plan to Plan Scheme, schemes taken up initially under the programme had to be given up and substituted by other schemes. In reply, the Department of Rural Development have stated in a note:

“As a result of the change in the classification of the programme, the on-going schemes were not affected while, where feasible, new schemes like rural water supply, dairy development etc. were also taken up with focus on integrated area development.”

6.65. Asked if the real reason for changing the DPAP from Non-Plan to Plan Scheme was that the Central Government was anxious to reduce the quantum of Central assistance to States. In reply, the representative of the Department of Rural Development has stated:

“The pattern changed to the extent that from Non-Plan it became Plan, but the pattern of assistance in the Fourth Plan remained the same, namely, 100 per cent grant-in-aid to the State Government. In the two years 1971-72 and 1972-73, it was 100 per cent grant-in-aid to the State Governments and there was no change in the assistance pattern as such. The change in the assistance pattern came only in the Fifth Plan period.”

C. Progress of Schemes in Rajasthan under the Reoriental Programme

6.66. The Committee were informed by the Department of Rural Development, in a note, that against the total outlay of Rs. 20 crores for the Fourth Plan for DPA Programme in Rajasthan, administrative approval for schemes in the sectors of irrigation, roads, forests, drinking water supply, soil conservation was for 18.83 crores. In November 1972, the State Government suggested the inclusion of innovative schemes like

dairy development etc. in the re-oriented DPA Programme. The State Government formulated three projects, viz., (a) Dairy development scheme (for which Rs. 1.04 crores were allotted), (b) Drought Proofing Project in Barmer district (for which 0.99 crore allotted in 1972-73) and (c) Migratory Sheep Scheme in Jaisalmer district (for which Rs. 0.40 crore were allotted in October 1972). These projects were approved by the Cabinet Coordination Committee at its meeting held in January 1973. While giving administrative approval to these schemes, a condition was stipulated by Government of India that the State Government would accommodate these schemes within the funds available to the State Government under the DPAP. Rural Water Supply Scheme at an estimated cost of Rs. 334.97 lakhs was also taken up in Rajasthan.

6.67. As explained in paragraphs 6.15 and 6.16, the Rural Water Supply Scheme and Dairy Development Scheme in Rajasthan has met with limited success and Drought Proofing Project for Barmer district and Migratory Sheep Scheme for Jaisalmer had not been taken up at all during the Fourth Plan. The Committee, therefore, desired to know whether these schemes had been taken up under the Fifth Plan and if so, how far had these schemes progressed. In reply, the Ministry of Agriculture & Irrigation (Department of Rural Development) have informed the Committee as under:

- (a) *Dairy Development Scheme*.—There were two components of the scheme (i) energisation of five existing tubewells in Jaisalmer in a tract known as Lathi. After energisation, these tubewells were to provide irrigation for production fodder for cattle, linking it up with the setting up one chilling plant, procurement and marketing of milk and providing a proper health cover. Administrative approval for Rs. 43.42 lakhs was given to this scheme. (ii) Six more chilling plants were to be established at Pali, Pokharan, Balotra, Jalore, Mertha city and Nagaur to provide a market for the milk produced in the area. Rs. 61.41 lakhs were approved for this scheme.

Unfortunately before the State Government could make any headway, the Government of India informed in July 1973 that due to budgetary constraints, only those programmes like irrigation, etc. which could not be left incomplete, should be implemented and other programmes should stop. The State Government, however, incurred an expenditure of Rs. 31.83 lakhs till the end of the Fourth Plan period by limiting the programme to the establishment of four chilling centres at Pokharan, Pali, Balotra and Mertha city.

In the Fifth Plan, dairy development in the desert areas was recognised as a priority sector. All the chilling centres, which were initiated in the Fourth Plan period, have been commissioned, and in fact the State Government has already proposed an expansion in the capacity of these chilling plants due to an excellent response from the farmers. Under dairy development, the State has prepared a programme of Rs. 9.38 crores, which includes provision of marketing facilities like establishment of chilling plants, expansion of the dairy capacity, provision of well organised milk collection system, a provision of effective health cover and an improvement in the breeding stock of the area.

- (b) *Drought Proofing Project, Barmer.*—The State Government formulated an ambitious project at a total cost of Rs. 904.34 lakhs to be completed in a period of five years, commencing from 1973-74. The project envisaged provision of infrastructure for milk and wool marketing and input programme for animal health, cross breeding, food supply, fodder supply, electrification, tubewells and drinking water supply. The Government of India approved only a part of the programme as the Fourth Plan was coming to a close and a final decision on the Fifth Plan was still to be taken. The items approved by the Government of India were survey and exploratory boring for ground water, chilling centres and fodder banking and development of five fodder tubewells. The total cost of the approved schemes was Rs. 98.50 lakhs. It was felt that it would be possible to meet this amount from the allocation to be made to the State Government in 1973-74. Unfortunately, due to budget constraints, these schemes could not be taken up and no expenditure was incurred on the approved items.

In the Fifth Plan a revised project with an outlay of Rs. 6 crores has been prepared for Barmer district. This project lays primary emphasis on ground water development, cattle and dairy development, sheep, pasture and forest development, drinking water and power.

- (c) *Migratory Sheep Scheme, Jaisalmer.*—This project was formulated to improve the economic condition of migratory sheep breeders through increased wool/mutton production. The project was designed to cover nearly 50,000 sheep and benefit 1,000 families of sheep breeders. The total cost of the project was Rs. 125.57 lakhs. This project also could not

be put on ground as the constraint in resources was acute in 1973-74.

During the Fifth Plan sheep development in Jaisalmer has been given due importance. Pasture lands are being developed and the sheep are being provided with better health cover and efforts are being made to upgrade the quality of sheep. This is a time consuming process but will pay results after sometime.

- (d) *Rural Water Supply Scheme*.—This scheme was taken up in Rajasthan at a total estimated cost of Rs. 334.97 lakhs. 29 schemes were taken up for execution and an expenditure of Rs. 161.44 lakhs incurred during the Fourth Plan period. 17 schemes have been completed by the end of 1975-76 and the remaining 12 have been partially commissioned and are expected to be fully completed by March 1977.

6.68. During evidence, the Committee asked whether dropping of innovative and beneficial schemes like Drought Proofing Project in Barmer district and the Migratory Sheep Scheme in Jaisalmer district a few months after their being cleared by the Government of India did not cast a serious reflection on the process of planning in the country or the state of administrative inefficiency. In reply, the representative of the Ministry of Agriculture and Irrigation has said:

“It was entirely due to paucity of funds. This scheme was approved in February 1973 and by July 1973, we told the State Government that we would not be able to give adequate fund and that they should stop all other schemes. . . . In Rajasthan, the total schemes for which the administrative approval was given was Rs. 12.39 crores, the actual expenditure was Rs. 14.43 crores and the amount given so far is Rs. 13.81 crores.”

6.69. The Committee observed that while emphasis on irrigation schemes in Rajasthan was understandable, it was not clear why the two schemes of Drought Proofing Project and Migratory Sheep Scheme which could have given long term benefits like increase in production of milk, mutton and wool and creation of a reserve of fodder, at as low a cost as Rs. 1.39 crores, were given up altogether during the Fourth Plan. In reply, the representative of the Ministry of Agriculture and Irrigation has stated:

"In 1970, we had prepared a Master Plan. At that time, the idea was to have labour intensive works and we also identified at that time the schemes of irrigation, soil conservation and afforestation would be taken up. Schemes like pasture development, cattle development and dairy development were not envisaged at that time. But later on, during the mid-term appraisal we felt and the State Government also started feeling that if we had to go in for long term process of development, these schemes would not help us...."

6.70. Asked if it was not possible to take up these two schemes also alongwith on-going irrigation schemes in Rajasthan, the witness has stated:

"The priority was given for completion of all irrigation schemes which had been started by the Government of Rajasthan in the previous three years (1970-71, 1971-72 and 1972-73). If the Rajasthan Government wanted to take up these three schemes, although they did not cost much, they would have to stop their work on irrigation sector which would have been left incomplete. That is the reason why these schemes were not started by the Rajasthan Government."

6.71. The Committee pointed out that preference to irrigation projects was all right for areas which had rivers but Jaisalmer and Barmer had no rivers at all and in fact depended on rainfall even for drinking water. The Committee, therefore, asked whether this did not give the impression as if the Central Government has not been very much aware of the actual situation. In reply, the witness has said:

"In a way, what you are saying is quite true."

6.72. Asked if, as a result of appraisal of the situation by Central Government, the strategy for drought prone areas like Jaisalmer and Barmer had been changed, the witness has said:

"In the Fifth Plan, the entire strategy has completely been changed for Rajasthan. We are not thinking in terms of khadies and all that. We are now thinking of developing pastures and going in for dairy development, fodder reserves, etc. These are the things included in the Fifth Plan."

6.73. The Committee desired to know how far the shift in emphasis from Plan to Plan was desirable and if development of dairy and pastures, creation of fodder etc. had become so important in the Fifth Plan, how was it that such schemes were viewed as unimportant or of doubtful utility

during the Fourth Plan. In reply, the Secretary, Ministry of Agriculture and Irrigation has stated:

“It will be difficult to give an opinion at this point of time. I cannot say what considerations prevailed in the minds of those who were incharge of things at that time. But that was the judgement at that time.”

The witness has added:

“If the Rajasthran Government felt that it was not a correct decision, there was nothing to prevent them from coming back to us, saying ‘This is a very important thing and should be allowed’. Perhaps, this could have been reconsidered.”

6.74. Asked if the physical results achieved in irrigation sector justified the somewhat extra-ordinary emphasis on irrigation in preference to less capital intensive and quick-yielding schemes such as Dairy Development, Drought Proofing and Migratory Sheep Scheme, the Department of Rural Development, in a note furnished after evidence, have expressed the following view:

“It would not be correct to say that in programme planning and implementation an extraordinary emphasis was laid in favour of irrigation schemes in preference to less capital intensive and quick result yielding schemes like Dairy Development, Drought Proofing and Migratory Sheep Schemes.

This will be evident from the sectoral allocation of the funds made under the programme for Rajasthan as indicated below:

Sector	Allocation
	(Rs. in lakhs)
1. Irrigation	634.00
2. Roads	500.00
3. Forest	363.00
4. Drinking water supply scheme	355.00
5. Dairy Development	120.00
6. Soil Conservation	31.00
7. Other schemes	17.00
	Total: 2020.00

In terms of percentage the allocation made for irrigation schemes works out to 32 per cent of the total allocation which is considered to be quite normal in view of the fact that irrigation is crucial element for stabilising the agricultural production in these areas and as such exploitation and harnessing of irrigation was given due importance in the programme planning and execution."

D. Expenditure incurred under the programme

6.75. State-wise details of utilisation of outlay approved during the Fourth Plan for Drought Prone Areas Programme as furnished by the Department of Rural Development are given below:

Sl. No.	State	Outlay approved Rs./crores	Funds released Rs./crores	Expenditure reported Rs./crores	Expenditure reported as % to outlay approved	Expenditure reported as % of funds released
1.	Andhra Pradesh	8.93	6.47	8.58	96	133
2.	Bihar	5.52	2.92	2.68	49	92
3.	Gujarat	13.93	9.77	10.73	77	110
4.	Haryana	3.44	3.00	3.44	100	115
5.	J. & K.	2.19	0.95	0.97	44	102
6.	Karnataka	13.11	9.68	10.13	77	105
7.	Madhya Pradesh	7.98	5.18	7.43	93	143
8.	Maharashtra	12.64	10.79	11.43	90	106
9.	Orissa	3.90	3.11	3.41	87	110
10.	Rajasthan	20.04	13.81	14.43	72	104
11.	Tamil Nadu	4.01	3.35	3.84	96	115
12.	Uttar Pradesh	11.66	11.66	12.77	110	110
13.	West Bengal	4.06	2.19	2.43	60	111
TOTAL		111.81	84.88	92.27	83	109

6.76. The Committee desired to know whether the under-utilisation of outlays was in respect of Centrally Sponsored Scheme for a specific project or in areas where transfers of funds had been permitted. In reply, the Department of Rural Development have stated, in a note:

“Funds may be considered under-utilised with reference to the total outlay approved and not with reference to the funds released. Release of funds depended upon the pace of expenditure reported by the State and most of the State Governments have spent over and above the funds released to them. There were no savings under the Programme and, therefore, the question of transferring of funds does not arise.”

6.77. While it was stipulated that funds allotted to the selected districts should not be diverted to other districts or programmes not forming part of the scheme, it was observed that this was not followed in many cases. For example, as stated in paragraph 6.26 in the case of Barundha distributory of Mirzapur district (U.P.) the Project provided, *inter alia*, for remodelling of 17 miles of channel. Though there was no provision for construction of new channels, 29 miles of new channels were constructed besides remodelling of 24 miles of channels. Rs. 1.08 crores were spent thereon till March, 1974. There were substantial savings under the Project and these were utilised for execution of additional works.

6.78. The Committee wanted to know whether, as had happened in the State of Uttar Pradesh, States were free to divert funds meant for a particular district to another district. In reply, the Secretary, Ministry of Agriculture & Irrigation has stated in evidence:

“In the Fourth Plan, the instructions of the Government of India were not that money meant for a particular district should be spent only in that district as long as the district is covered under the scheme. As far as the irrigation sector is concerned, a change was made in the actual implementation of the scheme, namely, construction of a new channel 29 miles instead of 17 miles as originally planned. We contacted the State Government and they intimated to us that this would give a better command area.”

6.79. Asked whether Government of India felt that diversion of funds in this case was justified, the witness has stated :

“We felt that it was justified because the case was within our financial limits, although the actual mileage was more.”

6.80. As stated in paragraphs 6.41 and 6.51, the Drought Prone Areas Programme was sanctioned initially for the last four years of the Fourth Plan. However, Government of India had realised that the programme in the Fourth Plan was only a beginning and a far heavier investment would be necessary for achieving the objectives of the programme. It was,

therefore, proposed to continue the programme under the Fifth Plan period also with an outlay of Rs. 187 crores. The programme was now to be on the principle of matching contribution, that is, an equal amount was to be contributed by the State Government. In 1974-75, Rs. 17.65 crores had been allocated subject to such adjustment as were necessary on the principle of matching contribution. A programme with a total outlay of Rs. 42 crores was approved.

6.81. In the Draft Fifth Five Year Plan, Volume II (1973), a coordinating corporate body charged with the responsibility of designing, coordinating and catalysing a programme of integrated development in each drought prone district was suggested in the following terms:

“The main elements of the strategy of integrated agricultural development in drought prone areas are not the concern of one single existing department of Government but concern at least of five main Departments, namely, Agriculture, Irrigation, Animal Husbandry, Forestry and Cooperation. There is a real danger that any integrated plan of development of drought prone area may flounder on the rock of departmentalism. To get over these problems it seems necessary to opt for an organisational innovation. This may take the shape of coordinating corporate body which is charged with the responsibility of designing, coordinating and catalysing a programme of integrated development in each drought prone district. Such a coordinating body should have the requisite financial and operational flexibility. At the same time, it should be able to effectively utilise the facilities and the manpower of various development departments operating in the district. For this purpose, it would be essential that the District Collector and other district officers concerned are involved as *ex-officio* Chairman and Members of the Management organisation of the coordinating or corporate body.”

6.82. The Committee desired to know if the organisational innovation contemplated in the Draft Fifth Five Year Plan for “designing, coordinating and catalysing a programme of integrated development in each drought prone district” was being implemented.

In reply, the Secretary, Ministry of Agriculture has said:

“These are being strictly followed. We have established District Development Agencies in every district where District Magistrate is the Chairman. We are funding these agencies. We are

having training schemes. For instance, we had several workshops on water-shed Management. We trained 115 Project Officers from various districts in various recognised institutions. We are having some research studies made by different institutes in different aspects of the drought prone areas programme. I can, assure you, Sir, that we are implementing this almost in letter and spirit."

E. Physical Progress under the Programme

(i) Irrigation Schemes.

6.83. The most striking feature of the drought prone areas is the absence of the sizeable irrigation sources such as perennial rivers. The Irrigation Commission (1972) had computed that about 13 per cent of the cropped area of the drought-affected region was irrigated. It was estimated that when the schemes under execution were completed, the percentage of cropped area under irrigation was likely to rise to 19 per cent. The Commission had suggested that priorities in any programme of development of irrigation must be (i) improvement of existing irrigation works; (ii) expeditious completion of irrigation projects already taken up; and (iii) investigation of further possibilities of increasing irrigation from surface and ground water sources. The Task Force on Integrated Rural Development (June 1973) suggested that as most of the districts which fall in the drought prone zone had either remained unsurveyed or had been partly surveyed, it would be necessary to strengthen the State Ground Water Organisations.

6.84. The Committee desired to know if priority was being given to ground water surveys in drought prone areas. In reply, the representative of the Ministry of Agriculture and Irrigation said:

"The ground water surveys are being carried out in two ways. The Central Water Ground Board is assisting in drought prone areas. That is one of the first priorities which the Central Ground Water Board has laid down. Then, the State Ground Water Boards have also been strengthened. In fact we have given a specific guideline to every district that priority should be given to ground water survey and, secondly, to investigation of irrigation schemes and thirdly to survey of land capabilities. Of course soil conservation is also going on—because we think these are the three basic things which must be done before we can really build up a long term strategy."

6.85. According to the information furnished by the Department of Rural Development, physical achievements of various irrigation schemes approved under DPAP during the Fourth Plan were as under:

Sl. No.	State	Schemes approved (Nos.)	Financial outlay (Rs. in lakhs)	Expenditure incurred (Rs. in lakhs)	Physical targets (Hect)	Physical achievements (Hect)	Schemes left incomplete at the end of IV Plan (Nos.)
	Andhra Pradesh .	2217*	386.00	351.95	54,965	20,455	*
4.	Bihar	50	301.00	113.50	13,080	298	46
3.	Gujarat . . .	404	622.00	390.51	25,710	6,900	180
4.	Haryana . . .	7	322.00	322.00	5,490	5,690	..
5.	Jammu & Kashmir	23	75.22	32.76	2,230	*	19
6.	Karnataka . .	921	380.63	303.43	40,150	26,915	347
7.	Maharashtra .	252	1076.00	547.37	28,470	11,000	*
8.	Madhya Pradesh .	241	617.00	653.09	23,500	1,780	192
9.	Orissa	14	230.39	190.39	10,981	425	13
10.	Rajasthan . .	522	484.21	571.62	42,871	17,300	198
11.	Tamil Nadu . .	969	144.55	126.84	49,815	39,915	163
12.	Uttar Pradesh .	110	870.00	875.12	69,374	31,016	13
13.	West Bengal .	12149**	355.85	214.69	22,018	2,270	784
	TOTAL .	17879	5864.85	4693.27	3,88,654	1,63,964	1955

6.86. The following reasons were stated to be responsible for delay in the completion of the schemes:

- (a) Initiation of a number of schemes simultaneously to provide employment in as large a number of areas as possible.
- (b) Time taken in technical and administrative clearance of different schemes.
- (c) Difficulty faced in getting agencies for execution of some works.

*Information still awaited from the State Government.

**Includes 11,429 dugwells, out of which 1904 dugwells only were taken up and 1293 dugwells completed.

- (d) Litigation or delay in acquisition of land.
- (e) Delay in the investigation of few schemes where the schemes initially proposed were found not feasible.
- (f) Escalation in the cost of schemes and paucity of funds, as a result of budgetary constraints during the last year of the Fourth Plan.
- (g) Shortage of material such as cement pipes etc. for civil works as a result of power cut in various States as well as lockout in some factories engaged in their manufacture.

(i) *West Bengal.*

6.87. Audit paragraph 6.28 mentions that in Purulia and Bankura districts of West Bengal there was lack of progress in improvement of tanks and of minor irrigation works in Purulia district due to shortage of labour and also due to technical reasons such as lack of proper survey before commencement and lack of coordination between different departments. The Committee, therefore, asked if such instances did not indicate that some thing was really wrong somewhere. In reply, the Secretary, Ministry of Agriculture and Irrigation has stated during evidence:

“During the four years in which the 4th Plan Programme was in operation in Purulia District, we had sanctioned a scheme in respect of irrigation and afforestation upto a ceiling of Rs. 274.29 lakhs. The expenditure reported is Rs. 169.67 lakhs. The actual physical achievement of medium irrigation target of 2 schemes and minor irrigation target of 13 schemes could not accrue fully because of their being in different stages of project during the Fourth Plan. In respect of tanks it is 1154. In respect of tubewells the total is 16.31. There was some delay in medium irrigation projects because there had to be a sanction of the Central Water Power Commission. I am not trying to defend that it has done very well. Something has been done. It is not as if they are completely blank.”

6.88. In this connection, the Committee were informed that under the DPAP Programme, during the Fifth Plan, an outlay of Rs. 6 crores (of which Rs. 3 crores was for Irrigation and ground water and surface water investigations) was approved for Purulia District of West Bengal. Yearly expenditure as against approved outlays was as under:

	1974-75	1975-76	1976-77	Total
	(Rupees in lakhs)			
(i) Approved outlay . . . . .	..	125.76	161.90	287.66
(ii) Expenditure Reported	45.43	78.84	67.34	191.61

6.89. Giving progress achieved in physical terms in Purulia District, the Department of Rural Development furnished the following figures:

	1974-75		1975-76	
	Target (Nos.)	Achievement (Nos.)	Target (Nos.)	Achievement (Nos.)
(a) Medium and Minor Irrigation	15	In progress	15	20 per cent
(b) Tanks	118	57 (completed)	105	7 (completed)
(c) Dugwells	385	246 (completed)	139	22 (completed)

(ii) *Rajasthan:*

6.90. The Committee wanted to know if the water of Rajasthan Canal could not be utilised for drought prone areas of the State. In reply, the representative of the Ministry of Finance has stated in evidence that the Rajasthan Canal falling entirely in Ganganagar and having a command area "irrigation" only and was supposed to irrigate 31 lakh acres falling in three districts of Rajasthan, viz., Ganganagar, Bikaner and Jaisalmer. Stage I of Rajasthan Canal falling entirely in Ganganagar and having a command area of 15 lakh acres had already been completed at a cost of Rs. 175 crores. The National Commission on Agriculture felt that by 'lift irrigation', Churu, Jodhpur and Nagaur districts of Rajasthan could also be served by Rajasthan Canal. As these districts are plains, investment needed for providing infra-structure would be less. The proposal involved, in some cases, lifting of canal water to a height of 500 ft. A technical survey had already been completed by the State Government.

6.91. Stating that a number of economic implications were involved in the proposal, the representative of the Ministry of Finance has stated:

"The entire cost economic has to be studied because expenditure on electricity alone will come to Rs. 12 crores, according to preliminary enquiries. Who will foot this bill? Also water charges may have to be levied at Rs. 200 per acre, if the water is to be lifted by a few hundred feet."

6.92. Asked if Stage II of the Rajasthan Canal Project would be kept in abeyance till cost economies of lift irrigation scheme were studied in depth, the witness said:

“This does not mean that work on Stage II of the canal is not in progress. It is in progress. Stage II is a part of Rajasthan Plan. Rs. 23.5 crores have been provided in the Rajasthan Plan for going ahead with it. In the meantime if it is clearly established that lift irrigation can also be taken up, this possibility will be explored; but it will take some time to study the relative economies.”

(ii) *Roads Schemes.*

6.93. The State-wise position of Roads Schemes taken up during Fourth Plan under the Drought Prone Areas Programme was stated to be as under.

Sl. No.	State	Schemes approved	Physical targets (Kms.)	Physical achievements (Kms.)	Financial outlays (Rs. in lakhs)	Expenditure incurred (Rs. in lakhs)	Incomplete works (Nos.)
1.	Andhra Pradesh .	*	2329	2211	319.00	304.03	*
2.	Bihar . . .	17	285	106	209.00	130.94	*
3.	Gujarat . .	199	1498	506	491.00	353.36	*
4.	J. & K. . .	10	123	72	123.76	57.73	*
5.	Karnataka . .	381	2798	2052	327.00	320.40	172
6.	M.P. . . .	23	413	All works in progress.	155.63	70.63	23
7.	Orissa . . .	7	243	174	107.71	110.46	*
8.	Rajasthan . .	68	1807	1540	503.00	446.42	18
9.	Tamil Nadu .	970	*	2011.70	186.00	162.15	27
10.	Uttar Pradesh .	29	376	163.74	306.94	333.23	*
TOTAL . . .		1704	9872	8836.44	2729.04	2289.25	240

6.94. From the details given above, it would be seen that out of 1704 road schemes approved for execution during the Fourth Plan under the

*Information received is incomplete.

NOTE: In formation on expenditure incurred on incomplete works is still awaited from the State Governments.

DPAP, 240 schemes could not be completed by the close of the Fourth Plan. Giving reasons for non-completion of 240 road schemes, the Department of Rural Development have stated in a note:

“Generally speaking pace of expenditure on roads schemes was relatively much above that of other schemes and a major part of the work was completed at the end of the 4th Plan. However, some work such as soiling, inter-cos ttop coat, painting and drainage work remained still incomplete in a number of schemes. In states where the work on road schemes started a little late, execution of some schemes was affected particularly due to the stoppage of funds for road schemes in July 1973 on account of the budgetary constraints. Request was, therefore, made to the State Government to complete all incomplete schemes from the normal State Plan provisions so that the expenditure incurred did not become infructuous. As road schemes have not been included under DPAP during the Fifth Plan, the State Governments have been requested to complete these schemes out of the State Plan provision. The State Governments have been requested to indicate the present stage of completion of these roads.”

(iii) *Afforestation and Soil Conservation.*

6.95. Stressing the need for the restoration of ecological balance in drought prone areas, the Task Force on Integrated Rural Development (June 1973) had stated:

“There is historical evidence to show that several areas now comprised in the drought-prone districts were, at one time, blessed with productive agriculture and flourishing population. Serious and persistent disturbance of the ecological balance in these areas contributed towards their decay. Hence one of the foremost tasks is to move in the direction of a proper ecological balance between water, plants, animals and human population.”

6.96. As regards the role of forests, the Task Force stated, *inter alia*; that—

“Finally, it is necessary to stress the role of forests. It can be an important element in ameliorating the chronic conditions of drought affected areas. Forests are capable of having a beneficial effect on reducing temperature excess and in conservation of moisture. Moreover, forests in these areas can be an

important source of local requirement of firewood, small timber and grasses. In several drought areas there has been indiscriminate felling of trees for fuel and this, in turn, has adversely affected the soil and agro-climatic situation.”

6.97. During the Fourth Plan, expenditure incurred under the Programme on Afforestation and Soil Conservation was Rs. 7.22 crores and Rs. 6.15 crores respectively. The progress in physical terms was as under:

States	Afforestation (000 Ha)	Soil Conservation (000 Ha)
1. Andhra Pradesh	4.57	71.78
2. Bihar	5.50	2.30
3. Gujarat	11.38	6.00
4. Haryana	0.97	(a)
5. Jammu & Kashmir	*	0.51
6. Karnataka	21.22	200.37
7. Madhya Pradesh	4.67	Nil
8. Maharashtra	1.36	165.10
9. Orissa	0.79	0.77
10. Rajasthan	37.58	2.10
11. Tamil Nadu	4.00 + 50 kms.	11.32
12. Uttar Pradesh	1.61	Nil
13. West Bengal	3.61	1.10
	97.26 + 50 kms.	461.35

(a) 65 Nos. digging of water courses.

*Information still awaited from State Government.

6.98. The Committee were informed by the Department of Rural Development that according to a broad analysis of sectoral allocations approved in different states, afforestation sector was allocated less than 10 per cent of the outlay in 31 Programme districts, 10 to 25 per cent of the outlay in 15 districts and 33 to 44 per cent of the outlay in two districts. In the *inter se* priority laid down, soil conservation and afforestation were given

second priority, next to irrigation. The Committee wanted to know the reasons for the State Governments according a low priority for afforestation schemes under the DPAP and the steps, if any, taken by the Central Government to ensure that schemes, which are of vital importance from the ecological point of view, were not ignored. In reply, Department of Rural Development have stated in a note:

“The State Government generally accorded substantially large allocations for development of irrigation as water is considered a limiting factor to development in these areas. The need for raising allocation for afforestation was generally felt in the meetings of the Sanctioning Committee, but due to various considerations such as adequate allocations made in the State Plan for afforestation schemes, relatively less pronounced felt needs, preference for short-generation schemes, etc. allocations remained at relatively low level. However, where the need of afforestation was great and the allocations under normal State Plan were inadequate, afforestation was given substantial share in the programme outlay. For instance in Bikaner and Churu allocations for afforestation accounted for 33 to 44 per cent of the total outlay. In addition, soil conservation works accounted for about 7 per cent of the total expenditure under the programme during Fourth Plan. In some of the districts, namely, Bijapur, Chitradurga, Dharwar and Belgaum soil conservation assumed a significant place accounting for 25 to 50 per cent of the total outlay. Stress on restoration of ecological balance was laid in the report of Task Force on Integrated Rural Development and during the 5th Plan main thrust of the effort under the programme is on important elements like afforestation and soil conservation which contribute to ecologically integrated development.”

6.99. Statistical statements furnished by the Department of Rural Development indicate that outlays and physical targets of various afforestation and pasture development scheme during the Fifth Plan were as follows:

States	Total financial outlay (Rs. in lakhs)	Financial achievement (1974-75 and 1975-76)	Physical Achievement in Hectors				
			Plantation (Hectors)	Farm forestry	Extension forestry	Pasture Development	
1	2	3	4	5	6	7	8
1. Andhra Pradesh .	327.19	44.42	3410 +870(P)	717	30	12 +200(P)	
2. Bihar	181.00	27.52	1625	..	..	..

1	2	3	4	5	6	7	8
3.	Gujarat . .	548.30	266.02	18801	4351 +35 P	362	9542
4.	haryana . .	92.76	5.62	315	..	..	10
5.	J. & K. . .	80.00	8.96	N.R.	N.R.	N.R.	N.R.
6.	M.P. . .	165.36	26.02	2095	..	..	990
7.	Maharashtra . .	487.76	94.38	1496	162	228	1548
8.	Karnataka . .	653.46	127.42	4747	912	..	241
9.	Orissa . .	73.61	7.93	1457	..	..	...
10.	Rajasthan . .	773.43	95.10	10739	765	..	2690 +1994(P)
11.	Tamil Nadu . .	137.12	27.61	1572	..	..	..
12.	U.P. . .	367.08	118.51	9085	10(P)	659	2
13.	West Bengal . .	180.00	26.38	1505	..	25	.
TOTAL . .		4067.07	875.89	56847 +870(P)	6907 +35(P)	1304	16322 +1594(P)

P=stands for works in progress.

6.100. The Committee enquired why even after dropping two important schemes (Drought Proofing Project in Barmer and Migratory Sheep Scheme in Jaisalmer) in favour of irrigation, the target set for creation of irrigation facilities in Rajasthan could not be achieved and that very little progress was made in afforestation. The representative of the Department of Rural Development during evidence has explained:

“Afforestation has been even now a very difficult job in Rajasthan. Basically, the work which is being taken up there is to have shelter belt sand-dunes stabilisation and wherever there are canals, to take up canal bank plantations.”

6.101. It was pointed out during evidence that unless there was stress on afforestation in States, like Rajasthan, the deserts of the country would never bloom nor would ecological balance be restored. In reply, the witness has said:

“It is not lack of stress. It is a question of technical difficulty of having water available. In most of the desert areas, wherever water is available, the afforestation is the first charge. In the Fifth Plan, wherever afforestation is possible a lot of emphasis is being given on that.”

(iv) *Development of Rayalaseema Region of Andhra Pradesh.*

6.102. The Committee wanted to know what progress had been made in Rayalaseema, a region which covers four districts of Kurnool, Cuddapah, Anantapur and Chittoor in Andhra Pradesh which has been often a victim of scarcity because of erratic and untimely rainfall. In reply, the Committee were informed in a note that during the Fourth plan emphasis was given in these four districts on Minor Irrigation, Soil Conservation, Roads and drinking water supply in the district of Kurnool. The physical achievements as compared to targets and the expenditure incurred during the Fourth Plan were as under:

Sector	Units	Physical targets	Physical achievement	Cost of the schemes (Rs./lakhs)	Expenditure incurred (Rs./lakhs)
1. Minor Irrigation	(Ha)	53,344	30,619	240.81	219.94
2. Soil Conservation	(Ha)	84,016	64,789	100.74	103.47
3. Afforestation	(Ha)	5,761	3,247	40.80	49.68
4. Roads	(Km) No. + 16 CD works + i	2,062	1,209 CD work	260.60	238.06
5. Drinking water supply	No. of villages	39	38	38.00	32.23
TOTAL				681.01	643.38

6.103. It is further stated that during the Fifth Plan emphasis was being laid down on all the sectors taken for development during the Fourth Plan period except the roads sector. Due importance is being given to protection of areas from further erosion and also developing other physical resources like cattle and sheep and also dry-land agriculture. During the Fifth Plan, a programme of Rs. 25 crores (including uncommitted amount of Rs. 3.30 crores) was taken up which was equally shared by the Central and the State Governments.

6.104. As against the total outlay of Rs. 25 crores, expenditure incurred in Rayalaseema region was as under:

1974-75	Rs. 49.72 lakhs
1975-76	Rs. 150.31 lakhs
1976-77 (upto Sept. 1976)	Rs. 120.82 lakhs

6.105. The progress of scheme-wise achievement under Small Farmers Development Agencies/Marginal Farmers and Agricultural Labour projects in Cuddapah district of Rayalaseema since inception to 31 March 1976 was reported to be as under:

	Projected target	Achievement
1. Beneficiaries under improved Agriculture	28218	3415
2. Beneficiaries under soil conservation	2290	..
3. Beneficiaries under custom service . . . . .	..	..
4. Unit of minor irrigation works	6056	2565
5. Units of milch cattle	1621	1513
6. Poultry units . . . . .	..	..
7. Units of other AH programme	1967	2209
8. Beneficiaries under rural artisans schemes	146	153
9. No. identified	50000	56270
No. enrolled . . . . .	..	18031

Projects in Cuddapah completed their full 5 years term on 31st March 1976.

6.106. The Committee were informed that though the work had started, "it will take some more time to make a complete assessment of the impact of the programme on the areas as a whole and on developing the economy of the weaker sections in particular."

6.107. However, some indications were, it was stated, available on the type of benefits which would flow from one sector, namely, dairy on which approximately Rs. 1 crore was being invested in these four districts. Along with the dairy, another Rs. 2 crores would be spent on creating the infrastructure of health cover and extension. From the information furnished to the Committee, it appears that in 1975 the collection of milk was 11,000 litres per day procured from 7,000 producers. After the development of infrastructure in these two years, there has been, it was claimed, a phenomenal increase in the milk collection and the number of producers participating in the programme.

6.108. The milk collected by the end of October 1976 was about 0.52 lakh litres per day from 30,000 producers. The total milk procured in 1975-76 was 94.83 lakh litres and in 1976-77 it will be 105.93 lakh litres. The amount paid to the farmers during 1975-76 was Rs. 108 crores and in 1976-77 it is anticipated to be Rs. 2.5 crores. It has been

estimated that 50 per cent of the amount distributed to the farmers will go to the small producers. By the end of Fifth Plan period when all the investments in chilling plants, dairies etc. is completed, approximately 1.5 lakhs litres per day will be procured from this region and the total amount to be paid to the farmers will cross Rs. 5 crores.

6.109. Similarly extensive work in covering marginal areas to pasture development had been taken up which would benefit a large population of sheep. Afforestation was another sector which was receiving adequate attention. The total amount for the Fifth Plan period would be around Rs. 3 crores for pasture and afforestation development. Under the irrigation sector, Rs. 6 crores would be invested which would benefit approx. 24,000 ha. It is expected to lead to additional production of nearly 24,000 tonnes of cereals and oilseeds.

6.110. Department of Rural Development has therefore concluded in a note:

“Work is slow because the problems are enormous and require adequate planning. But the beginning has been made.....
The work done, although substantial, is very small compared to the total requirements.”

6.111. The Committee wanted to know if Rayalaseema area in Andhra Pradesh was catching up with the rest of the State. In reply, the representative of the Ministry of Agriculture & Irrigation in evidence has said:

“Broadly, if you look into the agricultural sector, one of the basic thing which is being done in Rayalaseema area—particularly in districts of Kurnool, Cuddapah and Anantpur—you will find that a very large programme of cattle development is being undertaken. A very large promotional programme as well as upgrading of livestock has been initiated. I think with the next two years these three districts would be producing 70,000 to 80,000 litres of milk. There is a very large milk powder factory which is being developed.”

6.112. Asked whether investment on development scheme in backward or drought prone areas was being determined on economic considerations alone, the witness has stated :

“In the case of Anantpur, we have another drought prone area programme and this came to us as a surprise that investment in these drought prone areas can be economic. We thought

social benefits should be counted and not economic benefits. It is being proved to us by the World Bank's approval about Anantpur that investment will be economical. We are hoping that in the next 3 or 4 years we should be able to provide a fairly good extent of improvement in selected areas."

6.113. The Committee wished to know whether at this rate of progress, Government was satisfied that people living in areas like Rayalaseema in Andhra Pradesh and Purulia in West Bengal or for that matter other areas in economically backward or drought prone areas the country would attain fairly reasonable standard of living within a foreseeable future. In reply, the witness has stated:

"If you give Rs. 5 to 6 crores for five districts for development in 5 or 6 years, it will be asking for the moon to expect much improvement; but we hope that there will be positive improvements in selected areas. I think what we are doing there or investing is in dribblets."

6.114. The Committee asked whether instead of relying on long term programmes which moved at snail's pace, it would not be better to have, in addition, some short-term programmes the benefits of which could reach the people in a short span of one or two years. The witness has stated in evidence:

"In addition to the drought prone areas programme, we have the Small Farmers Development Agency. We have selected 150 districts in the country and for a period of 5 years, we give a grant of Rs. 1.5 crores for each such district identified, with the stipulation that about 50,000 identified beneficiaries such as small farmers, marginal farmers and agricultural labourers should be given specific aid such as a well, a milch animal, poultry or sheep, etc. This has found favour with all the States..... This programme goes straight to the individual and the benefits are seen within 1 or 2 years..... I mention this to allay the apprehension that we are not alive to the situation. We are trying to do our best. May be you would like the pace to increase very rapidly. We shall try to do it."

(v) Generation of Employment.

6.115. As stated in the Audit paragraph 6.10, the Drought Prone Areas Programme, as originally conceived, laid great emphasis on schemes which were labour intensive so as to generate employment opportunities.

in these areas where the problem of rural unemployment and under-employment was acute.

6.116. The extent of generation of employment in each State during the Fourth Plan on account of this programme was as under:

State	In lakh mandays				
	1970-71	1971-72	1972-73	1973-74	Total
1. Andhra Pradesh	39·86	83·06	58·17	23·75	194·84
2. Bihar . . . . .	..	4·11	29·69	20·32	54·12
3. Gujarat	11·81	39·80	65·02	32·98	149·51
4. Haryana . . . . .	..	0·21	0·13	4·01	4·35
5. Jammu & Kashmir . . . . .	..	2·37	5·15	3·87	11·39
6. Karnataka	34·54	104·47	97·38	31·25	267·64
7. Madhya Pradesh	0·94	15·05	79·60	83·27	178·86
8. Maharashtra	15·61	85·05	122·06	27·26	258·88
9. Orissa	1·60	12·35	12·75	10·62	37·32
10. Rajasthan	6·71	48·05	64·76	25·52	145·04
11. Tamil Nadu	16·18	23·60	19·54	14·67	78·99
12. Uttar Pradesh	3·35	11·65	40·76	46·03	101·79
13. West Bengal	1·81	4·15	21·08	8·47	35·51
TOTAL	132·41	3433·92	616·99	322·02	1505·34

6.117. Asked whether generation of employment was according to projections made, the Department of Rural Development have stated in a note:

“Due to comparatively higher capital component in irrigation works and all weather roads, projected employment generation could not be fully achieved.”

6.118. The Committee desired to know what projection of employment generation was made for DPA Programme. In reply, Secretary, Ministry of Agriculture and Irrigation has said in evidence:

“In our estimate, when we set apart Rs. 100 crores for this, it was felt that, on an average, for every crore spent, there would be 30,000 employees, in a whole season in a particular year.”

6.119. When asked whether the figures of generation of employment were verified, the witness has said:

“We could not and I don't think we can. These are muster roll figures and they can deceive even the man on the spot.”

F. Monitoring, Coordination & Evaluation

6.120. As regards monitoring, coordination and evaluation of the Drought Prone Areas Programme, the Committee were informed that Government felt that while the administrative responsibility for this and other programmes would rest with the State Governments and the Union Ministries concerned, their successful execution would involve “a considerable measure of coordination in the formulation and implementation of the schemes as well as in their periodical review and evaluation.” Accordingly, a Central Committee for Coordination of Rural Development and Employment consisting of the Member (Agriculture), Planning Commission, as its Chairman, Cabinet Secretary as its Vice-Chairman and Secretaries of the (1) Department of Agriculture, (2) Ministry of Finance (Expenditure) and (3) Planning Commission as its Members was set up in 1970.

6.121. In the Resolution constituting the Committee, it was provided that the Committee will in particular concern itself with the formulation and review of the progress of the following programmes to ensure their coordination at all appropriate stages and arrange for their evaluation at suitable intervals:

- (a) Establishment of Small Farmers Development Agencies for potentially viable farmers.
- (b) Establishment of similar agencies for sub-marginal farmers, agricultural labour and rural artisans.
- (c) Dry-land farming projects.
- (d) Non-plan project for integrated rural works etc. in chronically drought affected areas.

6.122. To the extent the following schemes contribute significantly to the creation of rural employment and provision of benefits to the weaker sections of the rural population, it was stipulated that the Committee might also review:

- (i) Minor Irrigation Schemes.
- (ii) Rural electrification schemes.

- (iii) Dairy Development Schemes.
- (iv) Area Development Schemes.
- (v) Projects for rural artisans.
- (vi) Rural Roads Programme.
- (vii) Other programmes involving rural works.
- (viii) Growth Centres.

No fixed tenure was stipulated for this Committee. It had held 27 meetings.

6.123. The Committee were also informed by the Department of Rural Development in a note that in order to ensure a proper monitoring of the Drought Prone Areas Programme during the Fourth Plan period, the State Governments were requested to furnish a monthly and a quarterly progress report on the financial and physical progress of works under various sectors. The monthly progress report gave information about expenditure incurred under all the sectors together with cumulative figures since the beginning of the financial year. The quarterly report called for information on cost, outlay and expenditure incurred in respect of each item of work under different sectors with the wage component separated out. It had also provided for submission of information on the physical targets and achievement made under each item of work.

6.124. These reports, it was stated, were received from most of the Programme areas. It was claimed that by and large the reporting was "fairly good."

6.125. During the Fifth Plan period sufficient attention was stated to have been paid to strengthening the monitoring system. A Working Group on the formulation of suitable monitoring system for DPAP Agency during the Fifth Plan was constituted in May 1975 which included representatives from both the State Governments and the Centre. The Working Group prescribed five proforma i.e. one monthly and four quarterly for reporting the progress of works. The monthly progress report called for information on the total expenditure incurred under each sector during the month under report together with cumulative figures on expenditure since the beginning of the financial year as against the budgeted outlay. The quarterly progress report called for information on details of expenditure, details of physical achievements, details of flow of credit and a narrative report to highlight the various problems and bottlenecks faced in the implementation of the programme and corrective action taken.

6.126. The Committee were further informed that apart from checking progress in physical achievements and in expenditure, the following measures were also being taken:

- (i) The work in each sector is being closely scrutinised based on the analysis of the narrative and facts and figures adduced and thereafter shortfalls noted, delays discovered, bottlenecks located, causes analysed and action initiated to eliminate defects.
- (ii) A careful survey is made on action and inaction on decisions conveyed previously and thereafter further orders are issued wherever necessary and recommendations made to the higher authorities for taking decisions and issue of orders.
- (iii) Along with a formal monitoring system emphasis is also being laid on intensive and extensive visits by officers from the Central Division. These tours are taken to discuss problems on the field and also to assess the quality of work being done.

6.127. The Committee invited attention of the representative of the Ministry of Agriculture during evidence to paragraph 1.136 of their 170th Report (1974-75) (Fifth Lok Sabha) on Crash Scheme on Rural Employment wherein it was pointed out that "Government did not have any monitoring arrangements regarding the implementation of the Scheme in various States."? In reply, he has stated:

"But the States are complaining to us that we are too rigid. In fact we are trying to oversee it in a very detailed manner. If they substitute some work, we are asking them to write to us in advance about the works which they are substituting."

6.128. The Committee wanted to know whether Government have made any evaluation of the concrete results achieved by the Drought Prone Areas Programme over which more than Rs. 100 crores were spent during the Fourth Plan. In reply, the Secretary, Ministry of Agriculture has stated in evidence:

"As far the evaluation in the manner in which you are envisaging we have asked the Planning Commission to undertake the same and we do hope that we will get the report."

The representative of the Planning Commission has added:

"Last year the proposal had been made that the drought programme should be evaluated by the Programme Evaluation Organisation of the Planning Commission. It was also said at that time that this is a strategy which is still evolving. Evaluation

would not be in terms of actual benefits of works which have been implemented or the spread of the programme, because it will be a 15, 20 years perspective programme. It was, therefore, on the whole felt that perhaps going beyond the strategy itself would be difficult at this stage. That is a kind of study which has been made."

6.129. The Committee pointed out that their question was not about strategy but about evaluation of the results achieved in physical terms by implementation of the Drought Prone Areas Programme. The representative of the Planning Commission has clarified:

"I do not think any evaluation in the proper sense of measuring what the benefits are going to be, is in the hands of the Planning Commission. The approach and integration between the State Plan Work, District Plan activity and the Central assistance being given in DPAP is being looked into. But the evaluation in terms of impact is being done by the Ministry itself."

6.130. Asked as to which agency of the Government was supposed to review the DPAP Programme, the representative of the Ministry of Agriculture & Irrigation has stated:

"The Government of India has set up a Central Coordination Committee which is presided over by the Member of the Planning Commission in charge of Agriculture in which Cabinet Secretary and the Secretary, Ministry of Finance etc. are all Members. A review of the working of the programme is made by the Central Coordination Committee which, after review, gives further guidance on how to go ahead with the programmes with modification or change here and there wherever coordination is necessary."

6.131. The Committee asked if physical achievements of the DPAP Programme were reviewed by the Central Coordination Committee. In reply, the Secretary, Ministry of Agriculture & Irrigation has said:

"That Committee gives broad policy directions thereby removing certain obstacles in the inter-departmental coordination or lack of financial support or delays, etc. But they are not considered as detailed review of physical achievements as such."

6.132. The Committee enquired that if detailed review of physical achievements of DPAP was not being done either by the Planning Commission or by the Central Coordination Committee, would it not be correct

to assume that there was complete absence of any monitoring system. In reply, the Secretary, Ministry of Agriculture & Irrigation has stated:

“We do have a system of monitoring in the sense that every month we get progress reports from various departments with regard to the programme in operation and their physical achievements as also the expenditure statements and once a quarter or once in six months, they also get a consolidated report.”

G. Conclusion

6.133. The Committee referred to the “conclusion” drawn by Audit (*vide* paragraphs 6.50 and 6.51) to the effect that “while expenditure totalling Rs. 92.27 crores had been reported, information on the physical content of the programme was either lacking or inadequate.” Audit had also stated that “because of inadequate reports, the impact of the programme could not be assessed.” Much of the outlay, it was stated, was on “incomplete works” which had not yielded results. The Committee asked if Government agreed with this conclusion. In reply, the Secretary, Ministry of Agriculture & Irrigation stated in evidence:

“I would like to submit this statement is rather too severe because we have individual figures and if I may also say some of the remarks in the Audit Report have been drawn from our internal review notes.”

6.134. In a note furnished after evidence, Department of Rural Development have furnished the following figures of achievements of the Programme in physical terms during the Fourth Plan:

Sl. No.	States	Minor Irrigation (000 ha)	Soil Conservation (000 ha)	Afforestation (000 ha)	Roads Kms.
1	2	3	4	5	6
1.	Andhra Pradesh . . .	20.45	71.78	4.57	2211
2.	Bihar	0.30	2.30	5.50	106
3.	Gujarat	6.90	6.00	11.38	506
4.	Haryana	5.69	(a)	0.97	..
5.	Jammu & Kashmir . . .	*	0.51	Nil	72
6.	Karnataka	26.92	200.37	21.22	2052
7.	Madhya Pradesh . . .	1.78	Nil	4.67	All works in progress

1	2	3	4	5	6
8.	Maharashtra . . .	11'00	165'10	1'36	..
9.	Orissa . . .	0'43	0'77	0'79	174
10.	Rajasthan . . .	17'30	2'10	37'58	1540
11.	Tamil Nadu . . .	39'91	11'32	4'00 + 50 kms.	2011'7
12.	Uttar Pradesh . .	31'01	Nil	1'61	163'74
13.	West Bengal . . .	2'27	1'10	3'61	..
		163'96	461'35	97'26 + 50kms.	8836'44

(a) 65 Nos. digging of water courses.

* Information still awaited from State Government.

6.135. Asked how far the scarcity conditions in the areas where the programme had been implemented were actually mitigated, the Department have stated:

“Drought is a recurring feature in the areas where the above programme had been implemented. Drought has always brought in its wake scarcity conditions. Hence the emphasis on wage employment works which at least gave some relief to the weaker sections of the society. The additional irrigation potential created coupled with the soil conservation measures effected during this period has also contributed to increase in agriculture production in these areas These programmes will help in mitigating the scarcity conditions in the long run.”

6.136. As regards quantification of agricultural production and additional employment created, the Department have stated that “the additional production and additional employment created has not been quantified.”

6.137. Dealing with the impact of DPA Programme, the Department have expressed the view that “these programmes are of a continuing nature and its impact could be felt only over a period of time.”

6.138. Asked to indicate the States which had made spectacular progress in the implementation of the DPAP as well as those which had lagged behind, the Department of Rural Development have stated in a note:

“On the basis of progress of expenditure reported *vis-a-vis* outlays approved all DPAP States except Bihar, Jammu & Kashmir, West Bengal and Rajasthan, utilised more than 75 per cent of the approved outlays. According to the Department, the reasons for slow progress of the programme were as under:

- (i) By the time the programme picked up momentum in these States, all the Schemes other than continuing irrigation schemes had to be discontinued in July 1973 due to budgetary constraints.
- (ii) Inadequate administrative machinery in these States to formulate, scrutinise the plans and put the scheme on the ground.
- (iii) In Rajasthan, the slow progress was due to delay in the submission of the Master Plans and the late inclusion of Rural Water Supply Scheme.
- (iv) In West Bengal, it was due to inadequate machinery to put the schemes on ground as also delay in the administrative approval of the Schemes by the State Government.”

6.139. The Committee wanted to know if at any time the States were advised by the Government to gear up their administrative machinery to ensure that schemes sanctioned under the programme were completed by them during the Fourth Plan itself. In reply, the Department of Rural Development have stated in a note that Government had impressed upon the State Governments to:

- (a) take effective measures to streamline implementation of the programme;
- (b) complete during the 4th Plan all the schemes sanctioned under the programme;
- (c) send list of individual schemes on which work was in progress in different sections showing the amounts spent and the outlays needed;
- (d) instruct the field officers to proceed uninterruptedly with the implementation of the sanctioned schemes;
- (e) submit quarterly and monthly progress reports on regular basis.

6.140. In this connection, the Secretary, Ministry of Agriculture & Irrigation has stated during evidence:

“We always believe in trying to advise the States and share the experiences that we have with the other States and give them a sort of leadership. Beyond this, it will be difficult for us to gear up the State machinery.”

6.141. The Committee wanted to know if suitable remedial measures were being taken by Government of India to overcome the various gaps identified by Audit in the formulation and execution of the Drought Prone Areas Programme. In reply, the Department of Rural Development have stated that during the Fifth Plan efforts had been and were still being made, to improve the systems of planning, management, financial control, monitoring and concurrent evaluation of the programme. These efforts include issue of guidelines, instructions for ensuring uniformity in the system of preparation of project reports, holding of regional meetings with the representatives of the State Governments, setting up of planning cells, District level bodies and coordinating bodies in States, training of field staff, development of action-oriented research, emphasis of shelf of schemes, etc.

6.142. In February, 1970, the Government of India decided to launch what was then known as the Rural Works Programme (later renamed as the Drought Prone Areas Programme in January, 1972) as a non-plan Central Sector programme with an outlay of Rs. 100 crores during the Fourth Five Year Plan ending March, 1974. The Committee find that the State Governments were asked on 17 April, 1970 to compile by 30 April, 1970 (within a short span of 13 days) detailed estimates for schemes to be executed in 1970-71. Though it was explained to the Committee during evidence and in written replies that the sectors including in the programme were such for which advance planning was normally done at district level, the Committee have no doubt in their mind that the time of 13 days allowed to State Governments to undertake these tasks was unjustifiably short keeping in view the fact that preparation of estimates involved identification of areas in the selected districts which deserved attention, selection of appropriate schemes or works keeping in view the priorities of the programme and creation of suitable coordinating machinery etc.

6.143. Yet another area of planning where the State Governments were asked by the Government of India to move faster than they could was preparation of Master Plans for schemes to be launched under the Drought Prone Areas Programme. State Governments were asked on 17 April, 1970 to draw up the Master Plans by 30 September, 1970 so that these could be discussed by the Central teams in October and November, 1970

and submitted to the Government of India by December, 1970. The representative of the Department of Rural Development has stated during evidence that the reason for having such a tight schedule was that the Government of India were anxious to introduce the programme from the financial year 1970-71 itself. The Committee were informed by the Department that the period of six months allowed for preparation of Master Plans was "at that time considered adequate". Whatever may have been the justification for laying down this tight time limit, the fact that Master Plans were prepared for only 9 districts in 1970, 42 districts in 1971, 12 districts in 1972 and 8 districts in 1973 proves eloquently that the time allowed to States for this exercise was utterly inadequate, especially when some of the States lacked technical staff for formulation, scrutiny and finalisation of Master Plans. The Committee are left with the impression that the preliminary work on the Programme was undertaken without adequate preparations therefor.

6.144. The Committee find that the Rural Works Programme had a chequered course from its very inception. It was launched in the year 1970-71. In January, 1972, it was re-named as Drought Prone Areas Programme. In 1972-73 its classification was changed from non-plan programme to a Plan scheme. The programme was re-oriented by changing its emphasis from creation of employment opportunities to undertaking of development works. Before the programme as re-oriented could even gather some momentum, the Government of India advised the State Governments telegraphically on 17 July, 1973 to stop all programmes except irrigation schemes, thus bringing to a sudden halt all soil conservation, afforestation and road works in progress under the programme. This step was stated to have been taken because of then prevailing financial stringency. Later, the Government of India (Department of Agriculture) informed all State Governments on 19 October, 1973 that Central assistance (Rs. 11.38 crores) released for 1973-74 was to be reckoned against expenditure already incurred by States till July, 1973 and any balance of the allotment left over could be utilised on minor irrigation works after July, 1973 till March, 1974. State Governments were also requested to complete the incomplete works out of their own resources. As pointed out by Audit, the effect of the telegram of July, 1973 followed by the circular letter of October, 1973 was that many works were left incomplete, work on a large number of which was not resumed later. The Committee feel that the action of the Government in suddenly stopping all schemes except irrigation schemes in July, 1973 was to say the least, precipitous. The financial situation which prompted the Government to take the steps could not have cropped up suddenly in 1973 and, therefore, if it was intended to foreclose the programmes it should have been phased

out suitably, and the States should have been forewarned. As matters stood, all activities except minor irrigation works came to an abrupt halt.

6.145. According to the Programme's original concept, its main emphasis was on generation of employment opportunities in areas where the problem of rural unemployment and under-employment was acute but, on re-orientation, the primary focus was shifted to development works so as to provide a permanent solution, to the extent possible, of the drought problem rather than on schemes merely to create employment opportunities. However, the Committee are unhappy to note that no serious attempt was made in the majority of the States to re-orient the programme to the new concept and even the few States like Rajasthan which did formulate schemes conforming to the new concept, did not execute some of these schemes in entirety. It is difficult for the Committee to accept the assumption that there was no real scope in February, 1972 for re-orientation of the works in the programme in many States because they find that administrative approvals for schemes under the Programme aggregating Rs. 39.62 crores were given even during 1972-73.

6.146. The Committee are concerned to note that even in States where Schemes conforming to the revised concept of the Drought Prone Areas Programme were drawn up, the progress in implementation of such schemes was not very impressive. For instance, out of 29 schemes taken up during the Fourth Plan under the Rural Water Supply Project of Rajasthan estimated to cost Rs. 3.35 crores, only 17 schemes were completed and that too by 1975-76. Expenditure to the extent of Rs. 1.61 crores was incurred on these schemes during the Fourth Plan. The Committee were assured in a written note that the remaining schemes of this project were expected to be completed by March, 1977. They would like to know whether these schemes have in fact been completed and commissioned.

6.147. In this context, the Committee would like to refer to certain innovative and beneficial projects which were taken up for implementation in Rajasthan but were later dropped on the plea of the lack of financial resources. The State Government of Rajasthan formulated three projects, viz. (i) Dairy Development scheme for which Rs. 1.04 crores were allotted; (ii) Drought Proofing Project in Barmer district for which Rs. 0.99 crores were allotted in 1972-73 and (iii) Migratory Sheep Scheme

in Jaisalmer district for which Rs. 0.40 crores were allotted in October, 1972. While giving administrative approval to these schemes, a condition was stipulated by the Government of India that the State Government would accommodate the schemes within the funds available to the State Government under the DPAP.

As regards the Dairy Development Scheme, before the State Government could make any headway, the Government of India informed in July 1973 that due to budgetary constraints, only those programmes like irrigation, etc. which could not be left incomplete, should be implemented and other programmes should stop. In so far as the Drought Proofing Project in Barmer district is concerned, the State Government formulated an ambitious scheme envisaging a provision of infra-structure for milk and wool marketing and input programme for animal health, cross breeding, food supply, fodder supply, electrification, tubewells and drinking water supply. But later due to budgetary constraints, the scheme was not taken up and no expenditure was incurred on the approved items.

The Migratory Sheep Scheme at Jaisalmer district was formulated to improve the economic condition of migratory sheep breeders through increased wool and mutton production but the project could not be put on ground as the constraint in resources was said to be acute in 1973-74.

The Committee are not happy at the way in which these schemes were in the first instance cleared by the Government of India and later deferred on the plea of financial constraints. While appreciating the fact that priority was to be given for the completion of on-going irrigation schemes which had been started by the Government of Rajasthan in the years 1970-71 to 1972-73, the Committee are unable to appreciate the rationale behind the summary suspension of the three schemes which, prima-facie appeared to offer some hope to redeem the position in these chronically drought prone areas. It is noted that in the Fifth Five Year Plan the development strategy has been changed and now the emphasis would be on development of pasture, dairy and cattle in Rajasthan. The Committee would like progress to be made in implementation of schemes particularly in these drought prone areas during the current Plan period.

6.148. The Committee find that as against total approved outlay of Rs. 111.82 crores for schemes under the Drought Prone Areas Programme during the Fourth Plan, the Government of India issued administrative approvals releasing a total sum of Rs. 84.88 crores. The total expenditure as reported on schemes under the programme was Rs. 92.27 crores. Though the expenditure was more than the amount for which adminis-

trative approvals were given, it was only 83 per cent of the total approved outlay. On one side of the spectrum are States like the Uttar Pradesh, Tamil Nadu, Madhya Pradesh, Haryana and Andhra Pradesh which utilised more than 90 per cent of the outlay, on the other there are States like West Bengal, Bihar and Jammu & Kashmir where percentage utilisation of approved outlay was as low as 60, 49 and 44 per cent respectively. The Committee are surprised that even States like West Bengal and Bihar, which had been victims of recurrent drought and floods should have lagged behind to this extent in utilising the outlays approved for them under the Drought Prone Areas Programme. The Committee would like the Central Government to review the position in consultation with the States and take concerted measures to speed up implementation of the programmes in the field.

6.149. The Committee view with concern the fact that of the total of 17,879 irrigation schemes approved under the Drought Prone Areas Programme during the Fourth Plan, as many as 1955 schemes were left incomplete at the close of the Plan for a variety of reasons. Some of the difficulties adduced by the Department like delay in technical and administrative clearance of different schemes, non-availability of agencies for execution of works, etc. could have been anticipated and minimised, by better planning and coordination at different levels.

6.150. The Committee also find that while the expenditure incurred on irrigation schemes (Rs. 46.93 crores) under the Drought Prone Areas Programme during the Fourth Plan was as high as 80 per cent of the financial outlay of Rs. 58.65 crores, the achievement in physical terms (163,964 hectares) was only 42 per cent of the target of 388,654 hectares. The Committee emphasise that causes of excessive expenditure as compared with physical achievements should be analysed in depth and remedial measures taken early to correlate expenditure to expected physical performance and resultant benefits in the field.

6.151. Among the Districts covered under the Drought Prone Areas Programme, where the progress of irrigation schemes has not been satisfactory, Purulia district of West Bengal deserves mention. During the Fourth Plan, schemes of irrigation and afforestation subject to a maximum expenditure of Rs. 274.29 lakhs were sanctioned but the expenditure reported was only Rs. 169.67 lakhs. The Committee recommend that concerted efforts should be made to implement the irrigation schemes as per time schedule so as to alleviate the difficulties of the people in this drought prone area in West Bengal.

6.152. The Committee find that as against the target of 1704 schemes for building 9872 kms. of roads in 10 States at a cost of Rs. 27.29 crores, 1464 schemes were completed by building 8836 kms. of roads at a cost of Rs. 22.89 crores. Audit have pointed out that in some States the expenditure on road works was incurred on the improvement of existing roads, kucha or otherwise, although under the project only construction of new all-weather roads to open up inaccessible areas was contemplated. It was explained to the Committee that execution of road schemes was affected partially due to stoppage of funds for road schemes in July 1973 on account of budgetary constraints. The States were, however, informed that incomplete roads might be completed from the normal State Plan resources. The Committee would like to know whether the road works which were left incomplete at the end of the Fourth Plan have since been completed. They would also like to know how much of the amount of Rs. 22.89 crores has been spent on the construction of new roads and how much on the improvement of existing ones and the rationale therefor.

6.153. The Committee find that during the Fourth Plan Rs. 7.22 crores were spent on forest schemes in 13 States under the Drought Prone Areas Programme. This comes to only 7.5 per cent of the total expenditure on various sectors of the Programme. The Committee are inclined to agree with the views of the Task Force on Integrated Rural Development as contained in their Report (1973) that forests could play an important part in restoring ecological balance in drought prone areas. The Committee, therefore, recommend that more resources may be allocated to this sector of the programme.

6.154. The Committee note that during the Fourth Plan, schemes costing Rs. 6.8 crores for 53,344 hectares of minor irrigation, 84,016 hectares of soil conservation 5,761 hectares of afforestation, 2,062 kms. of roads and drinking water for 39 villages were approved for Rayalaseema region which comprises Kurnool, Cuddapah, Anantpur and Chittoor districts of Andhra Pradesh which are subject to drought conditions on account of erratic rainfall. The Committee have been informed that by the end of the Fourth Plan, minor irrigation for 30,619 hectares, soil conservation for 64,789 hectares, afforestation for 3,247 hectares, 1209 kms of roads and drinking water supply for 38 villages was achieved. Expenditure on these schemes was Rs. 6.43 crores. The Committee, however, are not impressed by the pace of development in the Rayalaseema area and at the present rate of investment it might take many more years for people of this region to catch up with the rest of the State. The Committee would emphasise the importance of integral approach to the development of the area so that the resources on the various schemes and projects operating in the region are deployed to the best advantage of the region.

6.155. A serious shortcoming of the Drought Prone Areas Programme in implementation has been noticed by the Committee. The Committee were informed during evidence that Government had estimated that for every crores of rupees spent on this programme, there would be 30,000 employees in a whole season in a year. During the Fourth Plan while the expenditure was more than Rs. 92 crores, the generation of employment was to the extent of 1505 lakh mandays only. The representative of Department of Rural Development admitted during evidence that figures of generation of employment were unverified muster roll figures and these "can deceive even the man on the spot". The Committee feel that having spent more than Rs. 92 crores during the Fourth Plan, Government of India should have arranged for compilation of authentic data on employment generated as a result of implementation of the Drought Prone Areas Programme especially when the Programme as originally conceived was meant to relieve the acute unemployment and under-employment in rural areas.

6.156. Yet another drawback of the Drought Prone Areas Programme was that it lacked an effective inbuilt system of monitoring, coordination and evaluation. It is true that in 1970, a Central Coordination Committee for Rural Development and Employment was constituted in the Planning Commission with Member (Agriculture) of the Commission as its Chairman, Cabinet Secretary as its Vice-Chairman and Secretaries of the Department of Agriculture, Ministry of Finance (Department of Expenditure) and Planning Commission as its Members. In the Resolution Constituting that Committee it was provided that the Committee will concern itself with the 'formulation and review of the progress' of the non-plan project for integrated rural works programme in chronically drought affected areas. In May, 1975 a Working Group was constituted for formulation of suitable monitoring system for the Drought Prone Areas Programme during the Fifth Plan. The Working Group is stated to have evolved certain proforma for monthly and quarterly reports on progress of the programme in financial and physical terms. During evidence, the Committee were, however, distressed to learn from the representative of the Ministry of Agriculture and Development that the Coordination Committee's reviews were not "detailed review of physical achievements as such". As far as the Ministry of Agriculture and Irrigation were concerned, all that they apparently did was to get progress reports from various Departments.

6.157. From the detailed examination of the various aspects of the planning, implementation and achievements of the Drought Prone Areas Programme discussed in the foregoing paragraphs, the Committee cannot but conclude that while more than Rs. 92 crores were spent on this pro-

gramme during the Fourth Plan, the monitoring of the programme was, to say the least, inadequate. No serious attempt seems to have been made to quantify the achievements of the programme in physical terms and its impact on the people of Drought Prone Areas. The Committee have, however, been assured that as the Programme was being continued during the Fifth Five Year Plan with a tentative outlay of Rs. 187 crores, efforts were being made to improve system of planning, management, financial control, monitoring and concurrent evaluation of the Programme by issuing guidelines, ensuring uniformity in the system of preparation of project report, holding of regional meetings with the representatives of State Governments, setting up of planning cells, district level bodies, coordination bodies in States, emphasises on development of action-oriented research, training of field staff, shelf of schemes, etc. The Committee would like that detailed instructions in this regard should be laid down for the guidance of all concerned and there should be conclusive follow up to see that these are implemented in letter and spirit so that the objectives underlying the schemes are achieved.

II. Drought Relief Production Programme In Uttar Pradesh

Audit Paragraphs

6.158. In June-July 1973, serious drought and damage to the kharif crop was reported in Uttar Pradesh. To offset this loss, a crash programme known as the drought relief production programme to augment irrigation facilities in fourteen drought affected districts was launched in September-October 1973. The outlay on the programme was to be Rs. 9.47 crores to be met entirely by long-term loans from Government of India; it was to be completed by March 1974 and an additional area of 1.34 lakh acres was to be irrigated. Benefits from a substantial part of work completed would, it was expected, be available for irrigation of the 1973 rabi crop itself. Schemes approved and executed as a part of this programme are discussed below.

6.159. *Extension of water conveyance systems of State tubewells.*—The scheme envisaged construction of 1600 miles of kutchha channels (guls), 275 miles of lined channels (pucca guls), 480 syphons and 3750 outlets, at a cost of Rs. 2.50 crores to irrigate an additional area of 37,500 acres. Work was started in September 1973, when sowing of the rabi crop had commenced.

6.160. *State tubewells and purchase of rigs.*—Originally, 240 tubewells were to be constructed and ten rig units purchased at a cost of Rs. 3.70 crores which was amended, as mentioned above, to construction of 285 tubewells, the total outlay being Rs. 4.30 crores. According to the original plan, 24,000 acres were to be irrigated from 240 new tube-

wells. Although all tubewells were drilled by March 1974, only 89 tubewells were energised of 151 tubewells which were fully developed and ready for energisation. Even by September 1974, only 133 tubewells were energised of a total of 240 tubewells ready for energisation. Till September 1974, Rs. 4.30 crores were reported to have been spent. One hundred and nine more tubewells were energised and 38 more developed by September 1975. Only six rigs (costing Rs. 33.19 lakhs) were purchased in October and November 1973 and distributed to the divisions between March 1974 and November 1974; only two rigs received in March 1974 were used for drilling of nine tubewells by October 1974; the other rigs were under trial (November 1974). The remaining rigs were available for work in September 1975. In fact, all the 285 tubewells under this programme were drilled by March 1974 with rigs already available.

6.161. In the 14 drought-affected districts, the number of State tubewells operated and areas irrigated from them were:—

Year	Kharif		Rabi		Total area irrigated (in acres)
	Number of tubewells on first day of fasal	Area irrigated (in acres)	Number of tubewells on first day of fasal	Area irrigated (in acres)	
1971-72	2641	1,22,149	2718	4,68,524	5,90,673
1972-73	2970	2,12,370	3104	4,58,923	6,71,302
1973-74	3350	1,30,722	3459	3,94,240	5,24,962
1974-75	3709	1,46,223	Not available	4,96,161	6,42,384

6.162. It will be seen that the areas irrigated in 1973-74 or even in the kharif of 1974-75 were not substantially different from the areas irrigated in earlier years, and, in fact, were less. A total additional area of 48,000 acres was to be irrigated from the State tubewells on completion of the two schemes mentioned above. It was explained (June 1975) that tubewells could not be fully utilised in 1973-74 because of acute shortage of electricity and increase in theft of transformers, etc. No explanation was available as to why in the kharif of 1974-75, the acreage had not increased significantly.

6.163. *Augmentation of lift irrigation capacity.*—The Scheme envisaged augmentation of the capacity of 11 pump canals from a total of 122.5 cusecs to 175.5 cusecs and creation of new capacity of 95 cusecs

by constructoin of 5 new pump-canals. Of the 11 pump-canals capacity of which was to be augmented, pumps to provide the increased capacity on 2 canals were energised in December 1973 and March 1974 and of another three in June 1974. Five other pump-canals although completed had not been energised (September 1975). Work on the remaining pump canal had been held up as the supplier had failed to provide the pump of the required capacity.

6.164. Of the five new pump-canals proposed, not one was energised till March 1974. One pump-canal with capacity of 20 cusecs was energised in November 1974 and one more was awaiting energisation. Work on another two pump-canals was at a standstill reportedly due to resistance of local people and want of funds. On the remaining pump-canal, work was in progress (September 1975).

6.165. The pump-canals so far energised created an irrigation potential of 6750 acres against the target of 22,350 acres.

6.166. *Deokali Pump-Canal, Stage II.*—The Deokali pump-canal, on which work was started in 1972-73 and was scheduled to be completed in 1976-77 had a planned capacity of 200 cusecs to irrigate 1.48 lakhs acres of land under Stage I. Stage II was estimated to cost Rs. 975 lakhs and increase its capacity to 1080 cusecs and irrigate an additional 1.23 lakh acres. Government of India gave Rs. 1 crore for Stage II of this scheme partly to give employment to the unemployed persons in the rural areas of Gazipur district and also to accelerate provision of irrigation facilities in the area. Items of work included were to be such as to advance completion of the project by six months and also provide irrigation to 35,000 acres in the rabi 1976 season. Rupees 90 lakhs were allotted to three divisions in 1973-74 and Rs. 90.48 lakhs spent. Check of the accounts in two divisions showed that expenditure consisted mainly of advances to the State Electricity Board, to Government workshops for supply of materials, etc., and to the railways for book adjustment of moneys spent in the past and payments for land of which possession had not been taken. Only Rs. 8.04 lakhs, of the total of Rs. 73.98 lakhs booked in those divisions, had been spent on earthwork. As far as could be ascertained, nothing significant was done either to accelerate Stage II of the project or provide relief by way of employment to the affected people.

6.167. *Lining of Canals.*—The scheme envisaged lining of 52 kilometres of canals, at a cost of Rs. 1 crore to irrigate an additional area of 15,000 acres in 11 districts. The Additional Chief Engineer had reported (March 1974) to State Government that only 19.2 Kms. of canals in five districts had actually been lined and Rs. 58.65 lakhs spent.

The delay in lining was attributed to shortage of cement, continuous running of canals due to failure of winter rains and strike of Junior Engineers. The Department stated (June 1975) that lining had been completed.

6.168. No information was available whether any additional area was irrigated from the canals in 1973-74 or in khrif 1974-75.

6.169. Rupees 4.47 lakhs earmarked for extension of water conveyance system of tubewells were spent in 1973-74 by a division on repair or strengthening of existing gulls not covered under this programme. The Chief Engineer stated (September 1975) that funds were not available under the normal programme and, therefore, it was considered proper to book the expenditure under this programme.

[Paras 9.12 to 9.12.7 of the Supplementary Report of the Comptroller and Auditor General of India, for the year 1973-74 (Part I), Union Government (Civil)]

6.170. Government of India had sanctioned a loan of Rs. 9.47 crores to the State of Uttar Pradesh for implementing the Drought Relief Production Programme during 1973-74. The schemes-wise outlay was as under:—

Sl. No	Scheme	Amount
		(Rs./crores)
1.	Extension of Water Conveyance system	2.50
2.	Construction of additional tube-wells and purchase of rigs	3.70
3.	Augmentation of lift irrigation capacity	0.77
4.	Deokali Pumping Canal (Stage II)	1.00
5.	Lining of Canals	1.00
6.	Provision of Subsidy on Diesel sets.	0.50
		9.47

6.171. Audit paragraph mentions instances of *prima facie* diversion of funds from one scheme to another. The Committee, therefore, desired to know whether these and other similar cases of diversion of funds had been examined and if so what action, if any, had been taken by the Central Government in this regard. In reply, the Ministry of Agriculture and Irrigation (Department of Agriculture) explained in a note:

- “(1) The first two programmes (viz. Extension of water conveyance system and Construction of additional tubewells and purchase of rigs) relate to State tubewells for which against an allocation of Rs. 620 lakhs, an expenditure of Rs. 621 lakhs has been incurred. Rs. 60 lakhs which were saved from the scheme of ‘extension of water conveyance system’ was utilised for ‘construction of tubewells and purchase of rigs’. Since both the schemes were designed to increase the irrigation potential of the State tubewells, re-allocation of funds among the two items of the Tubewell scheme does not amount to diversion of funds from this programme to other purposes.
- (2) While preparing the details of Deokali Pump Canal Stage II it had already been decided that the capacity of the main canal (Phase I) be increased from 200 cusecs to 1080 cusecs. From the point of view of economy and practicability it was considered desirable that the construction work of both Stage I and II be taken up simultaneously. Accordingly the head-works and the main canal were started jointly. The expenditure incurred on both these projects was to be booked separately. Though the expenditure was authorised for Deokali Pump Canal Stage II, but for want of formal approval, the expenditure incurred on the implementation of the combined works was originally booked under Deokali Pump Canal Stage I. Necessary adjustment of this combined expenditure has been done subsequently. Rs. 102.35 lakhs have been spent on Stage II against the allocation of Rs. 100 lakhs. From the above it is evident that this does not amount to diversion of funds to other purpose.
- (3) As far as other schemes are concerned, no funds were diverted to any other purpose.”

6.172. The Committee were informed by the Ministry of Agriculture & Irrigation (Department of Agriculture) in a note that the Government of Uttar Pradesh had taken the following action to ensure that the programmes of ‘Extension of water conveyance system’ and ‘Construction of additional tube-wells and purchase of rigs’ were completed on schedule *i.e.*, by March, 1974:—

- (1) A Drought Relief Committee was set up at the State level for efficient supervision of the works;
- (2) District-wise physical and financial targets were fixed; and
- (3) The Control Section at the departmental level used to monitor the progress of works.

6.173. Despite these measures, the additional area that could be brought under irrigation was 0.75 lakh acres as against the target of 1.34 lakh acres. There was thus a shortfall of 44 per cent in the achievement of the overall target. Details are given below:—

Scheme	Scheme		Revised Target	Target	Achievement		Percentage short-fall in achievement physical target.
	Original	Target					
1. Extension of Conveyance system	2.50	37,500	1.90	19,500	1.91	23,220	(—)38
2. Construction of Tubewells and purchase of rigs	3.70	24,000	4.30	28,500	4.30	28,600	(+)14
3. Augmentation of lift irrigation capacity	0.77	22,350	Not revised		0.65	10,479	(—)50
4. Deokali Pump Canal (Stage II)	1.00	35,000	Not revised		1.02	Project not yet completed.	
5. Lining of Canals	1.00	15,000	Not revised		0.97	13,125	(—)12
Total		133,850				75,424	(—)44

6.174. Audit has pointed out that while the 14 drought-affected districts in Uttar Pradesh had a total irrigated area of 6,71,302 acres but after implementation of the Drought Relief Production Programme, the total irrigated area was 5,24,962 acres in 1973-74 and 6,42,384 acres in 1974-75. The Committee asked for the reasons therefor. In a note furnished to the Ministry of Agriculture and Irrigation, the State Government have stated that full benefits envisaged under the Programme could not be achieved during the year 1973-74 and to some extent during 1974-75 due to "delay in the construction of tube-wells and their electrification". The State Government have claimed that an additional area of 67,722 acres has been brought under irrigation during 1975-76 as a result of works completed under the Programme. A further area of 80,000 acres is expected to come under irrigation during the current year (1976-77).

6.175. As regards the Scheme of augmentation of lift irrigation capacity, the State Government have stated that during 1973-74 under the Programme, the irrigation potential was to be raised from 122.5 cusecs to 175.5 cusecs i.e., by 53 cusecs. However, the lift canal capacity was

increased by 7.5 cusecs in October 1975 and by 6 cusecs in December 1976. By now, the total increase is reported to be of the order of 49.5 cusecs. It has been stated that a Pump has since been received and necessary action for its installation and energisation is being taken on a "priority basis".

6.176. The Scheme of augmentation of lift irrigation capacity had also envisaged creation of 95 cusecs of additional irrigation potential by construction of 5 new lift canals. According to the State Government, the present position of this Scheme is as under:

(i) Canal Capacity energised up to November, 1974	20	cusecs
(ii) Canal Capacity expected to be energised by January, 1977	20	"
(iii) Canals which have not been constructed because of being under the command of Sarda Sahayak Project	20	"
(iv) Canals under re-examination because some of their command area will be covered by Sarda Sahayak Project	15	"
(v) Canals which have not been taken up for execution because of the reported opposition of the local people.	20	"

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6.177. Regarding delay in implementation of Deokali Pump Canal Scheme, the State Government in a note furnished to the Ministry, have *inter alia* stated:

"Due to paucity of funds in 1974-75, the pace of work was slowed down, yet the construction of main canal was completed according to the necessity of Stage II Project. Deokali Pump Canal Stage I has been started and a target of creating 6000 hectares potential in the current year has been set."

6.178. The Scheme of lining of channels had envisaged lining work on 52 Kms. channels in 11 drought-affected districts, for creating irrigation potential of 15,000 acres. In a note furnished to the Ministry the State Government have stated that this target could not be achieved due to the following reasons:

- (i) Shortage of cement during that period,
- (ii) the canals could not be closed for taking up lining work because of the failure of winter monsoons,
- (iii) strike of Junior Engineers from 10 January 1974 to 31 March, 1976.

6.179. The work on lining of canals has since been completed.

6.180. Under the Programme, an amount of Rs. 50 lakhs was sanctioned by the Ministry of Finance for provision of subsidy on Diesel sets. The Central Monitoring Team that visited the State from 26 to 28 March 1974 recommended an outlay of Rs. 36 lakhs. The State Government have informed the Ministry that grant actually released to farmers of drought-affected districts amounted to Rs. 42 lakhs.

6.181 The Committee note that a Crash Programme known as the "Drought Relief Production Programme" was launched in September-October 1973 to augment irrigation facilities in 14 drought-affected districts of Uttar Pradesh. The entire outlay of Rs. 9.47 crores on this Programme was to be met by the Government of India by way of long-term loan. The programme envisaged an additional area of 1.34 lakh acres being brought under irrigation by March 1974. The Committee, however, find that while the 14 drought-affected districts of Uttar Pradesh had a total irrigated area of 6.71 lakh acres, but after implementation of Drought Relief Production Programme the total irrigated area, instead of increasing, decreased to 5.25 lakh acres in 1973-74 and to 6.42 lakh acres in 1974-75. They also find that despite fixing of district-wise physical and financial targets, setting up a Drought Relief Committee at the State level for efficient supervision of works and monitoring of progress of works by a control section at the departmental level, the target of bringing an additional area of 1.34 lakh acres under irrigation by March, 1974 could not be achieved. In fact, the additional area that has actually been brought under irrigation even till 1977 works out to 0.75 lakh acres only. The Committee recommend that causes of dismal failure of this Crash Programme which was meant to relieve the distress of the people caused by serious drought reported in the State of Uttar Pradesh in June-July, 1973, should be probed and concerted efforts made even at this stage to fulfil the programme targets. The Committee would suggest that Government of India should keep a close watch on the pace of implementation of all programmes the outlay on which is met wholly or substantially by Government of India even if these are executed by State Governments.

III. Flood Control Programme

6.182. Floods cause considerable damage to crops and property both public and private besides inflicting untold misery and suffering to the people particularly the weaker sections of the society who for the subsistence are forced to occupy areas lying within or in the vicinity of flood zones.

6.183. The States where floods have been occurring year after year are Orissa, West Bengal, Bihar, U.P., Kerala and Assam.

6.184. According to the Annual Report of the Ministry of Agriculture and Irrigation for the year 1976-77, the average annual damage caused by floods during the period 1953 to 1976 was Rs. 205 crores. In 1976, total damage reported was of the order of Rs. 751 crores for the country as a whole which was the highest during the last 24 years.

6.185. On 5 August, 1977, the Minister of Agriculture and Irrigation informed Lok Sabha that according to reports received from the State Governments, floods causing considerable damage had occurred in 1977 in parts of Assam, Gujarat, Haryana, Punjab, Rajasthan, West Bengal and Delhi and that preliminary reports received so far had indicated that an area of about 17.5 lakh hectares and a population of about 61 lakhs had been affected, crops over an area of 7.73 lakh hectares and 69,163 houses had been damaged, 148 human lives and 458 cattle heads lost. Total damage to crops, houses and public utilities was around Rs. 36.30 crores.

6.186. In the wake of severe floods of 1954, the need for a long-term programme of flood control was felt. A National Flood Control Programme was, therefore, launched in 1954. The programme has so far covered about 80.6 lakh hectares, out of total estimated flood prone area of 250 lakh hectares. The expenditure on flood control works upto the end of Fourth Plan was Rs. 347 crores of which the expenditure during the Fourth Plan was Rs. 162 crores. In order to accelerate the programme of the flood control in Fifth Plan, an outlay of Rs. 345 crores including outlay for anti-sea erosion works has been approved. The expenditure during 1974-75, 1975-76 and 1976-77 was Rs. 43 crores, Rs. 58 crores and Rs. 68 crores (anticipated respectively).

6.187. Central Government have set up ten Flood Forecasting Centres in the most vulnerable river basins in the country. The flood forecasts issued by these centres were of great assistance to the State Governments in organising effective evacuation and providing relief.

6.188. In paragraph 2, Chapter XIV of their Report (1973) the Sixth Finance Commission had observed that:—

“In a predominantly agrarian economy like ours, the failure of crops over large tracts resulting from deficiency or failure of rainfall necessitates State intervention on a large scale for provision of alternative opportunities for employment, supply of foodgrains and other essentials at fair prices and initiation of protective and preventive works against recurrence of similar calamities in the future. The State has to step in when other natural calamities such as floods, cyclones and earthquakes cause extensive damage to crops and property. Even prior to Independence, it

was one of the main tasks of the administrative machinery to tackle emergencies of this nature. . . .”

6.189. Stressing the need for drawing up detailed programme of both medium and long term significance for permanent improvement of the areas liable to drought and flood, the Sixth Finance Commission (1973) had stated:

“Alternative schemes for tackling effectively the problems of relief of distress and development of drought/flood prone areas should be designed to overcome these two basic defects of the existing system. We suggest that detailed programmes of both medium and long term significance for permanent improvement of the areas liable to drought and flood should be drawn up with the utmost urgency and these programmes fully integrated with the Plan. These schemes prepared in advance and arranged in a suitable order of priority can be taken up for implementation as soon as a natural calamity actually strikes a state or a region thereof. This arrangement would definitely produce better results than the present practice of formulating schemes in desperate hurry after the actual onset of the natural calamity in an attempt to absorb as much Central assistance as can be secured. We, therefore, propose that the provisions needed for the development of drought prone areas should form a distinct part of State and Central Plans. Likewise programmes of flood control should also form an integral part of the Plan. . . . The need of the hour is a massive time bound programme of action aimed at substantially reducing, if not completely eliminating, the vulnerability of the drought and flood prone areas to these calamities. We strongly urge that instead of incurring large scale expenditure on relief on *ad hoc* basis on schemes of dubious value, provision ought to be made on a much larger scale for development of drought and flood areas in the Fifth Plan both in State and Central sectors.”

6.190. The Drought Prone Areas Programme has been discussed in detail in earlier section of this Chapter. As regards, programme for flood prone areas, the Ministry of Finance have stated in a written note furnished to the Committee that “the Central and the State Governments are conscious of the need for formulation of long-term flood control programme, which would enable planning and execution of flood control works in a coordinated and orderly manner. The Central Flood Control Board in its meeting held in 1970 recommended that all States having flood problems may prepare comprehensive plans for flood control and drainage expeditiously and work out a phased annual programme so that at least 50 per cent of the flood affected areas are adequately protected by 1980.”

6.191. The Fourth Five Year Plan document estimated that since the initiation of the national programme of flood control in 1954, nearly 5.9 million hectares of land, usually subjected to flood damage, have been afforded reasonable protection at the beginning of the Fourth Plan. The Plan document stressed the need for formulation of the schemes for flood control, drainage, anti-waterlogging and irrigation in an integrated manner so that measures taken in one place do not accentuate the problem in a neighbouring area. The Fourth Five Year Plan envisaged a programme to survey more precisely the areas prone to flooding.

6.192. The Draft Fifth Five Year Plan (1974-79) records that the expenditure on flood control in the first three years of the Plan was likely to be of the order of Rs. 177.69 crores. For the next two years (1977-79), an outlay of Rs. 167.59 crores has been indicated. The document states: Some of the important schemes are the Patna City Protection Works, flood protection works in North Bihar and U.P., flood control and drainage works in Jammu and Kashmir, drainage works in Punjab, improvement of lower Damodar system in West Bengal and flood protection works in North Bengal. The provision also covers the flood control works in the Brahmaputra valley for which provision has been made in the Central sector. The Centre is also assisting in sharing the cost of flood control component of the Rengali dam in Orissa and anti-sea erosion works in Kerala. It also meets the cost of the flood forecasting system that has been set up in the Department of Irrigation.

6.193. The Ministry of Finance have stated that after the severe floods of 1971, the Central Government gave special assistance to Uttar Pradesh, Bihar and Orissa for certain priority flood control schemes in the last two years of the Fourth Plan.

6.194. It is understood from Audit that successive Central Study Teams (from 1970-71 to 1973-74) had because of recurrent floods in many areas of Uttar Pradesh, suggested that long term programmes of flood control, drainage, etc., should be started. Asked what action was taken on these recommendations, the Ministry of Finance intimated in a note that the special Central assistance given to Uttar Pradesh was Rs. 5 crores in 1972-73 and Rs. 5 crores in 1973-74 for the following priority flood control schemes:

1. Lucknow Town Protection Scheme.
2. Azamgarh Town Protection Scheme.
3. Flood protection and anti-erosion scheme in the Chitauni area of the Gandak.
4. Anti-erosion measures along Ganga near Ballia and the Ghagra and closing of the gaps in Ballia-Bakula Bund.

6.195. The expenditure on flood control works in Uttar Pradesh up to the end of 4th Plan was Rs. 41.71 crores, providing relief to an estimated areas of 6.16 lakhs hectares. The likely expenditure on flood control and drainage during the 5th Plan period may be of the order of Rs. 36 crores.

6.196. The Committee have been further informed that "in accordance with the directive of the Central Flood Control Board, the Uttar Pradesh Government had prepared a Master Plan in April, 1973 involving an outlay of Rs. 153 crores by 1980, of which Rs. 111 crores were to be on new schemes.

6.197. The Uttar Pradesh Government have since prepared another Master Plan in May, 1975 for flood control and drainage schemes estimated to cost Rs. 300 crores. This is designed to give relief to 18 lakh hectares of flood affected areas in a normal year and 52 lakh hectares in a year of heavy floods. The Plan is still to be discussed and approved by the State Flood Control Board before being submitted to the Central Government for scrutiny in Ganga Flood Control Commission and Planning Commission. Pending the formulation of the comprehensive plan, barring emergent works, only such priority schemes are being approved and taken up which would ultimately form part of and could be integrated with the overall plan".

6.198. The river Ganga being an inter-state river covering the States of Bihar, Uttar Pradesh, West Bengal, Haryana, Rajasthan and Madhya Pradesh, the Government of India have set up the Ganga Flood Control Commission in 1972 to prepare an integrated plan covering the entire basin and to implement the schemes in a coordinated manner. This Commission has been entrusted with the task of overseeing and preparing a comprehensive plan and arranging its implementation through the agency of the concerned State Governments. The Commission had prepared in July, 1973 an outline plan for flood control in the Ganga basin involving an outlay of Rs. 1043 crores. The State Governments were to draw up comprehensive plans based on this outline plan.

6.199. In a note furnished on 25 April 1977, the Department of Expenditure have intimated that it has recently been decided that based on the Outline Plan prepared by the Ganga Flood Control Commission, the Commission should take up the preparation of a "Comprehensive Plan" of the Ganga basin as a whole.

6.200. As regards preparation of Master Plans by States covered by Ganga basin, the position (April 1977) was stated to be as under:—

Bihar	The State Government are reviewing the draft Master Plan already prepared.
U.P.	Work on collection of data is in progress.

West Bengal	.	.	.	.	Works on preparation of Master Plan is in progress.
Haryana	.	.	.	.	Work on preparation of Master Plan is in progress.
Rajasthan	.	.	.	.	No Master Plan has so far been received in the Centre. The State Governments are being reminded periodically."

6.201. Taking into account the considerable experience that has been gained in planning implementation and performance of the flood control measures during the last 23 years and the advancement in technology in India and abroad, Government of India have constituted a National Flood Commission on 2 July 1976 to review the Flood Control Works carried out so far in the country and also evolve a coordinated, integrated and scientific approach to the Flood Control problem. The Commission has nine Members (including the Chairman). The terms of reference of this Commission are:—

- (i) To review the flood protection measures undertaken since 1954 and to make an evaluation of the benefits and effectiveness of the measures undertaken so far with special reference to embankments in reducing the damage.
- (ii) To identify the areas where a large number of Zamindari and/or unauthorised embankments, bunds and spurs, etc. exist; to assess the effect of such constructions on the flood problem; and suggest remedial measures.
- (iii) To identify the areas where construction of roads, highways, railways etc. and other encroachments into drains have aggravated flood problems and to suggest measures for improvements including legislative action, if any.
- (iv) To analyse the damage caused by floods in recent years and to identify areas requiring immediate flood protection measures.
- (v) To evolve a comprehensive approach to the problem of floods in the country keeping in view the need for optimum and multi-purpose utilisation of water resources as also the role of soil conservation and afforestation in flood control.
- (vi) To make an analysis of the cost and benefits of flood protection measures.
- (vii) To suggest criteria for taking up flood protection measures and means of mobilising resources therefor.
- (viii) To recommend proper land-use in the flood plains with a view to minimise damage and to ensure overall increase in agriculture production.
- (ix) To examine the existing arrangements for maintenance of flood protection works and recommend measures for improving the same.

- (x) To review the existing administrative and organisational set up for flood control at the Centre and in the States and suggest improvements where necessary; flood control to include flood forecasting and warning, flood fighting, formulation and implementation of flood protection measures.
- (xi) To examine the present procedure of assessing flood damage and suggest improvements.
- (xii) To examine any other matter related to floods and flood control and make suitable recommendations."

6.202. The Committee are distressed to find that though floods have been occurring year after year in certain States, viz., Bihar, U.P., West Bengal, Haryana, Rajasthan, Madhya Pradesh, Kerala and taking a heavy toll of life besides causing extensive damage to crops, no long-term plan to avert such floods has been evolved so far. The flood control measures that have been initiated by the States much susceptible to floods have only touched the periphery of the problem and precious little seems to have been done to implement in a coordinated manner, the National Programme of Flood Control which was initiated as far back as 1954. Huge investments have been made to prevent floods, but the menace persists despite protective measures taken in a disjointed and incoherent manner by the States principally in the Ganga basin. According to the Fourth Plan document, nearly 5.9 million hectares of land, usually subjected to flood damage, had been afforded reasonable protection at the beginning of the Plan. The Draft Fifth Five Year Plan (1974-79) records that the expenditure on flood control in the first three years of the Plan was likely to be of the order of Rs. 177.69 crores. For the next two years (1977-79), an outlay of Rs. 167.69 crores has been indicated. The programme envisaged important schemes such as the Patna City Protection Works, flood protection works in North Bihar and U.P., flood control and drainage works in Jammu & Kashmir, drainage works in Punjab, improvement of lower Damodar system in West Bengal and flood protection works in North Bengal. The programme also covers the flood control works in the Brahmaputra valley for which provision has been made in the Central sector. The Centre is also assisting in sharing the cost of flood control component of the Rengali dam in Orissa and anti-sea erosion works in Kerala.

While the Committee appreciate the efforts of individual States to control floods, they would like that the Ministry should formulate an integrated time-bound programme of action on a national scale which should take care of such aspects as flood control, drainage, anti-water logging and irrigation. The present practice of formulating piece-meal schemes in desperate hurry after the actual onset of the natural calamity may serve the immediate needs of the situation but can hardly be a long term solution

to the problem of recurrent flood havocs. In this context, the Committee welcome the recent constitution of a National Flood Commission by Government to review the flood control works carried out so far in the country and also evolve a coordinated, integrated and scientific approach to the flood control problem.

6.203. The Committee note that at their sitting held in 1970 the Central Flood Control Board had recommended that all States having flood problems may prepare comprehensive plans for flood control and drainage expeditiously and work out a phased annual programme so that at least 50 per cent of the flood affected areas were adequately protected by 1980. In pursuance of this recommendation, Government of Uttar Pradesh prepared in April, 1973 a Master Plan involving an outlay of Rs. 153 crores by 1980, of which Rs. 111 crores were to be on new schemes. In July, 1973, the Ganga Flood Control Commission set up by the Government of India in 1972 prepared an 'Outline Plan' for flood control in the Ganga Basin covering the States of Bihar, U.P., West Bengal, Haryana, Rajasthan and Madhya Pradesh and involving an outlay of Rs. 1043 crores. The State Governments concerned were to draw up comprehensive plans based on that Outline Plan. In May, 1975, the State Government of U.P. prepared another Master Plan for flood control and drainage schemes estimated to cost Rs. 300 crores. This was designed to give relief to 18 lakh hectares of flood-affected areas in normal year and 52 lakh hectares in a year of heavy floods. This plan, the Committee have been informed, is still to be discussed and approved by the State Flood Control Board before being submitted to the Central Government for scrutiny by the Ganga Flood Control Commission and the Planning Commission.

In a note furnished by the Ministry of Finance on 25 April, 1977, the Committee have been informed that work on preparation of Master Plans by the States of West Bengal and Haryana is in progress. As regards Rajasthan it has been stated that no Master Plan had been received by Central Government. Meanwhile it has been decided that based on the aforesaid Outline Plan, Ganga Flood Control Commission should take up the preparation of a Comprehensive Plan of the Ganga Basin as a whole. The Committee hope that the plans to be drawn up by the Ganga Flood Control Commission would be within the framework of the national plan to be evolved by the National Flood Control Commission. The Committee would like to be apprised of the progress made in this direction.

C. M. STEPHEN

Chairman,

Public Accounts Committee.

NEW DELHI;

September 28, 1977

Asvina 6, 1899 (S)

APPENDIX I

Paragraph 1·2

Statements showing expenditure incurred by the State Governments on Relief of distress caused by natural calamities

(Rupees in crores)

Name of State	First five year plan 1951-52 to 1955-56	Second five year plan 1956-57 to 1960-61	Third five year plan 1961-62 to 1965-66	Total of three Plans 1951-52 to 1965-66	Three annual plans 1966-67 to 1968-69	Total of eighteen years 1951-52 to 1968-69	Fourth five year plan 1969-70 to 1973-74	Grand Total
1. Andhra Pradesh	0·50	1·63	2·01	4·14	16·62	20·76	101·82	122·58
2. Assam	0·53	1·89	1·62	4·04	9·72	13·76	8·10	21·86
3. Bihar	10·15	7·78	3·98	21·91	38·22	60·13	42·64	102·77
4. Gujarat	2·64	0·19	4·26	7·09	21·76	28·85	123·71	152·56
5. Haryana	—	—	—	—	1·27	1·27	6·82	8·09
6. Himachal Pradesh	—	—	—	—	0·02	0·02	0·16	0·18
7. Jammu & Kashmir	—	1·57	1·32	2·89	1·02	3·91	1·93	5·84
8. Kerala	—	0·18	0·50	0·68	1·45	2·13	5·81	7·94
9. Madhya Pradesh	0·80	1·91	4·07	6·78	39·50	46·28	15·99	62·27

10.	Maharashtra	3.85	1.59	4.80	10.24	13.66	23.90	286.95	310.85
11.	Manipur	—	—	—	—	0.05	0.05	0.63	0.68
12.	Meghalaya	—	—	—	—	—	—	0.44	0.44
13.	Karnataka	0.51	1.47	1.84	3.82	12.93	16.75	66.23	82.98
14.	Nagaland	—	—	—	—	—	—	—	—
15.	Orissa	2.68	2.34	8.08	13.10	22.11	35.21	49.71	84.92
16.	Punjab	3.42	6.61	8.66	18.69	1.11	19.80	1.47	21.27
17.	Rajasthan	3.00	0.67	7.10	10.77	34.64	45.41	185.35	230.76
18.	Tamil Nadu	2.46	1.08	1.38	4.92	2.39	7.31	31.11	38.42
19.	Tripura	—	—	0.14	0.14	0.39	0.53	2.36	2.89
20.	Uttar Pradesh	1.78	5.02	2.42	9.22	6.44	15.66	49.70	65.36
21.	West Bengal	7.79	30.27	23.96	62.02	29.56	91.58	65.37	156.95
	Total	40.11	64.20	76.14	180.45	252.86	433.31	1046.30	1479.61
	Average annual expenditure (Rs. in crores)	8.02	12.84	15.23	12.03	84.29	24.07	209.26	1479.61

FOOT NOTE.—1. The figures given in this appendix are those booked in the accounts offices which as stated in para 8.2 of the draft report have not been reconciled with those of the State Governments. As such the figures mentioned herein will not always agree with those shown at various places in the draft-report.

2. Serial number 14 (Nagaland).

Figures not available.

APPENDIX II

(Vide paragraph 1.4)

Statement of expenditure under Head 289—Relief on account of Natural Calamities

(Rs. crores)

States	1974-75 Accounts	1975-76 Revised Estimates
1. Andhra Pradesh	9.59	4.31
2. Assam	3.61	1.25
3. Bihar	9.31	11.11
4. Gujarat	31.02	39.58
5. Haryana	4.04	1.57
6. Himachal Pradesh	0.10	0.75
7. Jammu & Kashmir	0.47	0.30
8. Karnataka	2.18	2.31
9. Kerala	0.90	1.49
10. Madhya Pradesh	8.77	5.26
11. Maharashtra	2.34	4.27
12. Manipur	0.01	0.04
13. Meghalaya	0.22	0.20
14. Nagaland	0.30	0.42
15. Orissa	3.62	4.04
16. Punjab	0.30	2.62
17. Rajasthan	10.19	10.19
18. Tamil Nadu	20.99	18.95
19. Tripura	0.09	0.42
20. Uttar Pradesh	2.28	2.18
21. West Bengal	5.20	10.20
TOTAL	115.53	121.47

APPENDIX III

(Vide paragraph 1·6)

Statement showing grants and loans given as Central assistance by the Government of India, Ministry of Finance to the State Governments for meeting expenditure on Relief of distress caused by natural calamities

(Rupees in crores)

Name of State	First	Second	Third	Total	Three	Fourth five year plan					Grand	
	five year plan 1951- 52 to 1955-56	five year plan 1956- 57 to 1960-61	five year plan 1961- 62 to 1965-66	of three plans (15 to 1965-66	annual plans 1966-67 to 1968-69	1969- 70	1970- 71	1971- 72	1972- 73	1973- 74	Total	Total
1	2	3	4	5	6	7	8	9	10	11	12	13
1. Andhra Pradesh	—	—	1·00	1·00	18·05	17·80	12·60	15·03	37·00	15·00	97·43	116·48
2. Assam	2·20	0·67	2·74	5·61	7·90	2·40	5·75	0·75	4·30	5·00	18·20	31·71
3. Bihar	5·20	4·02	1·00	10·22	62·74	1·80	2·35	20·00	13·35	1·70	39·20	112·16
4. Gujarat	0·81	—	—	0·81	16·67	21·20	7·84	0·60	14·00	56·25	99·89	117·37
5. Himachal Pradesh	0·06	—	—	0·06	—	—	—	0·09	2·22	—	2·31	2·37
6. Jammu & Kashmir	—	—	0·86	0·86	—	—	—	2·37	0·50	2·50	5·37	6·23
7. Karnataka	0·35	—	2·00	2·35	12·88	1·62	2·00	3·00	16·50	26·37	49·49	64·72
8. Kerala	—	—	—	—	2·00	1·60	2·20	2·79	1·25	1·13	8·97	10·97

	1	2	3	4	5	6	7	8	9	10	11	12	13
9. Maharashtra	0.09	—	3.00	3.09	17.09	—	2.50	22.50	83.43	114.09	222.52	242.7	
10. Madhya Pradesh	0.08	—	3.00	3.08	32.49	0.50	0.67	—	—	6.69	7.86	43.40	
11. Manipur	—	—	—	—	—	—	—	—	0.40	—	0.40	0.40	
12. Nagaland	—	—	—	—	—	—	—	—	0.08	—	0.08	0.08	
13. Orissa	4.04	9.50	1.88	15.42	23.60	3.00	—	13.00	11.56	9.10	36.66	75.68	
14. Punjab	1.64	1.37	4.78	7.70	—	—	—	—	—	—	—	7.79	
15. Rajasthan	1.66	0.13	5.28	7.07	36.03	53.50	26.51	—	11.00	38.50	129.51	172.61	
16. Tamil Nadu	4.47	3.56	1.00	9.03	6.25	13.00	—	—	4.76	5.00	22.76	38.4	
17. Tripura	—	—	—	—	—	—	—	—	0.50	1.00	1.50	1.50	
18. Uttar Pradesh	2.16	3.43	—	5.59	2.26	1.90	4.50	5.00	5.65	16.25	33.30	41.15	
19. West Bengal	5.35	15.87	5.47	26.69	25.04	5.75	19.41	17.50	10.17	4.50	57.33	109.06	
Total	28.11	38.55	32.01	98.67	263.00	124.07	86.33	102.63	216.67	303.08	832.78	1194.45	
Average annual assistance (Rs. in crores)	5.62	7.71	6.40	6.57	87.67			166.35					

APPENDIX IV

(Vide Paragraph 1.32)

Expenditure apparently not related to relief of distress caused by natural calamities

Sl. No.	Amount (Rupees in lakhs)	Remarks
1	2	3
<i>West Bengal</i>		
1.	48.64	Spent on original works like raising and strengthening of embankments, construction of sluices and protection of river banks during 1969-70 to 1972-73. in Malda, Murshidabad and Nadia districts.
2.	18.27	Spent during 1968-69 to 1973-74 in Bankura and Purulia districts on repair of roads even though there were no floods in these districts during the period.
3.	14.72	Spent in Malda district till March 1974 on improvement of the entire road 10 miles long (including widening of a stretch costing Rs. 7.56 lakhs) even though only one mile of the road was damaged in floods in August 1971.
4.	11.50	Spent in 1971-72 in Malda district on normal maintenance and repairs of 28 roads not damaged by any natural calamity.
5.	10.09	Spent on 3.10 lakh dhoties, sarees and children's garments intended for distribution through M.L.As. on the eve of Pujas in 1972. In most cases acknowledgements of ultimate recipients were not submitted to authorities (May 1975). See also paragraph 6.2.
6.	2.72	Spent in 4 districts in 1972-73 and 1973-74 on food-grains distributed to persons undergoing vasectomy operation, to workers of a closed factory in an urban area and to compensate weavers for increase in cost of yarn.
<i>Maharashtra</i>		
7.	*47.93	Spent in 1972-73 and 1973-74 on normal development works on rural piped water-supply schemes executed through regular contractors without employing relief labour and already debited as such but transferred in 1973-74 as relief expenditure.
8.	*43.54	Spent in 1972-73 and 1973-74 on purchase of drilling rigs against budget provision of Rs. 50 lakhs for normal works and initially debited as such but was transferred as relief expenditure and budget provision for normal works surrendered.

*The State Government explained (November 1975) that the expenditure was incurred to relieve scarcity of drinking water in the affected villages.

1	2	3
9.	7.63	Spent in 1973-74 on earthwork and collection of road metal in connection with construction of an air strip at Osmanabad (already approved as a Plant work costing Rs. 29.75 lakhs) and debited as relief expenditure and provision of Rs. 9.13 lakhs for the purpose under Plan work surrendered.
10.	22.05	Spent in 1972-73 on 212 Community wells in 192 villages of 4 districts not affected by drought.
11.	56.36	Unspent cash balances with Zila Parishads of six districts included as expenditure reported by Collectors.
12.	42.67	Amount given by debit to '64-Famine Relief' to Zilla Parishads of two districts, even though the connected expenditure had already been met out of relief funds.
<i>Bihar</i>		
13.	216.00	Spent in 1972-73 in six districts not affected by any calamity.
14.	15.00	Spent in 1973-74 by Minor Irrigation Divisions on running and maintaining emergency river pumping sets which are normal functions of the divisions.
15.	36.24	Represents housebuilding grants allotted from January to March 1972 long after the floods of 1971.
16.	192.00	Amounts allotted for Hard Manual Labour Schemes from January to March 1973 after December 1972, the month fixed for closure of relief operations.
<i>Orissa</i>		
17.	19.14	Spent in 1973-74 on repair and restoration of irrigation and flood control works not damaged by floods for which separate budget provision existed under normal works and initially debited as such but transfer-debited in 1973-74 as relief expenditure.
18.	1.60	Liabilities of previous years in Balasore district were shown as relief expenditure in 1973-74.
<i>Gujarat</i>		
19.	5.06	Spent in 1972-73 in Panchmahals districts in areas not identified as drought-affected.
<i>Haryana</i>		
20.	70.76	Spent in Hissar district on construction of roads in 1970-71 when there was no calamity to complete works already in progress.
<i>Kerala</i>		
21.	0.66	Spent on repair of a road in Palghat district between November 1971 and August 1972 when there was no calamity.

1	2	3
22.	6.58	Spent in 1973-74 on the issue of free rations for one extra week (for 5 weeks against 4 authorised by the State Government) in 17 villages of Trivendrum district.
23.	79.20	Spent from 1969-70 to 1973-74 on 946 works connected with improvement or repair of existing roads or canals, which are normally met from the normal budget for annual maintenance and repairs.

Andhra Pradesh

24.	422.79	Spent during 1971-72 to 1973-74 by Public Works Divisions on works such as construction or improvement of residential and non-residential buildings, compound walls, upgrading of roads, construction of bridges and irrigation channels, etc.
25.	332.66	Represents unspent cash balances with Zilla Parishads but included as expenditure reported by Collectors till October 1973.
26.	105.88	Spent during 1971-72 to 1973-74 on purchase of stores and equipment like cement, bitumen, pipes, irrigation sluices and shutters, steel, motor vehicles etc.
27.	66.00	Spent in 1972-73 on excavation of rocks by blasting in Nagarjunasagar Project entrusted to contractors, who engaged imported labour.
28.	30.00	Represents reimbursement in 1972-73 of old outstanding claims totalling Rs. 62.94 lakhs on account of a special discount of 10 per cent granted by handloom cooperative societies on sales of handloom cloth during festive occasions.
29.	25.44	Spent on salaries of work-charged staff, maintenance of buildings and vehicles, hire charges of vehicles etc. by a Public Works Division from 1971-72 to 1973-74.
30.	5.00	Disbursed to members of a prospective cooperative society to enable them to pay up their share capital.
31.	280.00	Spent during 1972-73 and 1973-74 on works connected with Pochampad Project by transfer of expenditure already incurred prior to drought.
32.	350.00	Spent during 1971-73 by the State Electricity Board on works connected with Lower Sileru Hydro-Electric Project already in progress through contractors.

Uttar Pradesh

33.	20.84	Spent on 7 normal water supply schemes in four districts from 1969-70 to 1973-74 and already adjusted under normal heads but transfer-debited in March 1974 as relief expenditure.
34.	7.83	Spent in 1973-74 on construction of a pontoon bridge for Maghmela and normal water supply schemes in an area not affected by drought.

1	2	3
35.	16.03	Represents expenditure on the levy of centage charges on relief works in four districts, which are not admissible under the rules.
36.	41.34	Spent in 1973-74 on procurement of materials in four districts. Relief works on which the materials were to be utilised, were not taken up.
37.	18.36	Spent in 1969-70 on purchase of materials in Varanasi district after June 1969 when the drought was almost over.
<i>Tamil Nadu</i>		
38.	9.99	Spent on construction of a new hospital building during April 1970 to July 1971 in place of the old building damaged by floods.
39.	6.96	Spent in 1973-74 on construction of (i) office accommodation and residential quarters for officials of Public works Department and (ii) a new school building in place of an old building damaged in floods.
<i>Karnataka</i>		
40.	274.94	Paid to contractors and Railways for work done for diversion of railway line and expenditure on construction of buildings, and acquisition, etc. in connection with construction of Upper Krishna Project and initially debited in 1972-73 to normal heads of account but transfer-debited in March 1973 as relief expenditure.
<i>Rajasthan</i>		
41.	16.03	Instead of debiting only extra expenditure due to employment of relief labour on earthwork done on National Highways in Kishangarh, Ajmer and Beawar districts during April to September 1973, the whole expenditure was debited as relief expenditure.
<i>Himachal Pradesh</i>		
42.	17.91	Difference in expenditure incurred in 1971-72 as reported by the State Government to the Central Government (Rs. 112.26 lakhs) and that reported by the executing agencies to the State Government (Rs. 94.35 lakhs).

APPENDIX V

(vide paragraph 1.33)

Instances of excess drawal or release of Central assistance to State Governments

Sl. No.	Amount (Rupees in lakhs)	Remarks
1	2	3
<i>Andhra Pradesh</i>		
1.	76.48	Spent during 1971-72 in West Godavari, Guntur and Krishna districts on purchase of X-Ray equipment, air conditioners, etc. for existing hospitals.
2.	67.54	Spent on original building and road works instead of restricting expenditure to restoration of the works to pre-cyclone conditions.
3.	30.73	Represents additional amount disbursed in six districts because the State Government raised the limit of assistance from Rs. 200 (fixed by the Central Government) to Rs. 500 to individuals whose houses were damaged in cyclone.
<i>Rajasthan</i>		
4.	58.55	Represents extra Central assistance obtained because expenditure in 1972-73 and 1973-74 on wages paid to labourers on irrigation, afforestation and revenue works on account of fortnightly holidays was claimed in full and not restricted to 2 per cent as accepted by Central Government.
<i>Maharashtra</i>		
5.	100.00	Excess grant given by Government of India in 1973-74 due to calculation error.
6.	50.00	Excess loan given by Government of India in 1973-74 due to calculation error.
7.	370.18	Represents difference between the total expenditure from 1971-72 to 1973-74 (till September 1973) reported by State Government to Government of India and that reported by Collectors to State Government.
8.	119.17	Represents difference between total expenditure from 1971-72 to 1973-74 (till September 1973) reported by Collectors of Yeotmal, Osmanabad and Bhir districts (test-checked) to State Government and that reported by the Executing agencies to the Collectors.

1	2	3
9.	10.89	Centage charges not leviable under the Public Works Manual were levied on relief works in Public Works Divisions in Poona, Thana, Bhir, Osmanabad and Bhandara districts, test-checked.
<i>Madhya Pradesh</i>		
10.	28.24	Spent in 1972-73 in three districts on relief operations commenced in the preceding year on account of damage to kharif crop of 1971 because of insufficient rain and gallyfly infestation. Neither was this calamity reported to Government of India, nor had that Government approved such expenditure for Central assistance.
11.	45.61	Of Rs. 58.45 lakhs reported by the State Government to have been spent by the Forest Department on plantation works in forest areas, Rs. 45.61 lakhs were actually spent on forest roads.
12.	5.24	Of Rs. 136.98 lakhs intimated by the State Government as expenditure on nistar-cum-irrigation tank works, Rs. 5.24 lakhs were overstated due to an error in compilation.
<i>Karnataka</i>		
13.	115.00	Expenditure from January to May 1973 in 41 additional taluks (not mentioned in the memorandum to the second Central study team) where relief works were started in addition to 38 taluks approved by the Central study team. Expenditure in these 41 taluks from June to September 1973 could not be ascertained. The second team had stated (April 1973) that agro-climatic conditions did not deteriorate in this area after the visit of the first study team and most of the crops had already been harvested. However, the team recommended regularisation of the expenditure incurred in these additional taluks.
<i>Bihar</i>		
14.	200.00	Drawn and disbursed in March 1972 to Education Department for repair and renovation of primary schools. The amount was kept in District Education Fund.
15.	63.60	Establishment charges levied on relief operations from 1969-70 to 1973-74.
16.	21.83	Allotted to 4 divisions in 1972-73 (Rs. 18.80 lakhs) and 1973-74 (Rs. 3.03 lakhs) for relief works but actually adjusted against normal works already done in the divisions.
17.	27.00	Spent on improvement and repair of roads started in December 1972 after orders for discontinuance of Hard Manual Labour schemes were issued in November 1972.

1	2	3
<i>Uttar Pradesh</i>		
18.	43.82	Spent by Public Works Department on relief works in 10 additional districts in 1972-73 and 1973-74 in spite of the Central study team's recommendation that damage caused by drought in those districts was within reasonable limits and there was no necessity of undertaking relief works.
19.	43.00	Spent by Irrigation Department on relief works in 1972-73 in 10 districts not recommended by the Central study team.
20.	58.30	Spent by Irrigation Department on relief works in 1973-74 in 29 districts not recommended by the Central study team.
<i>Gujarat</i>		
21.	254.00	Represents centage charges on relief works executed through Panchayats from 1968-69 to 1969-70 and included in the State Government's claim for Central assistance.

APPENDIX VI

(Vide Paragraph 2.28)

B. B. Vohra,
Additional Secretary (OSD).

D. O. No. 1-22/73-SR I
Government of India
Ministry of Agriculture & Irrigation
(Department of Agriculture)
New Delhi, the 22nd January, 1976.

Dear

Please refer to this Ministry's D.O. letter of even number, dated the 22nd December, 1973 from Shri R. K. Shastri, Joint Secretary, Department of Food addressed to the Revenue Secretary/Relief Commissioner regarding the revision of Scarcity Codes/Manuals. A meeting was proposed to be convened to discuss the desirability of any modifications, revisions etc. in the present Codes/Manuals. A background paper was also circulated for consideration at the proposed meeting.

2. It has now been decided not to hold any meeting for this purpose. However, it is suggested that the States which have their own Scarcity Codes/Manuals may incorporate in them such of the suggestions contained in the background paper as meet with their approval. The States which do not have such Codes may please frame such Codes taking guidance from the background paper and the Scarcity Codes/Manuals of other States. Scarcity Codes/Manuals may also incorporate ideas based on the experience gained by the States in dealing with scarcity conditions in recent years.

3. For facility of reference I am enclosing a copy of the background paper under reference. This paper represents a slightly modified version of the original draft inasmuch as it contains a pointed reference to the need to pay special attention to the protection and relief of children during periods of scarcity. I am sure, you will agree that such a reference is necessary in view of the fact that children represent the future of the country.

Yours sincerely,

Sd/- B. B. Vohra

To

Chief Secretaries—All States

Copy with enclosure to:—

1. Revenue Secretaries/Relief Commissioners—All States.
2. Ministry of Finance Plan Finance I Branch.
3. Planning Commission.
4. Department of Social Welfare.

Sd/- J.S. Uppal

Dy. Secy. to the Govt. of India.

REVISION OF FAMINE/SCARCITY CODES

Background

The question of revision of Famine Codes/Scarcity Manuals have been under consideration for some time in the past. It was the subject matter of a statement made by the then Minister of Food and Agriculture in Parliament in 1966. Following the statement, a review of the modifications made by the State Governments of their Famine Codes/Scarcity Manuals was made in 1966 and laid before the Parliament.

2. The Ministry of Agriculture has been pursuing with the State Governments the question of revision, and the latest position in regard to the revision of these Codes/Manuals is indicated in the statement attached. It would be seen from the statement that some of the State Governments have already revised/updated their Codes/Manuals, whereas in some cases the work has yet to be undertaken. As the question of revision of Codes/Manuals, to bring them in line with the socio-economic objective of the present Government, is cropping up in the Parliament from time to time, a comprehensive review of the position has been made by this Ministry.

3. The review reveals that there is no Central Code and the formulation and revision of Famine Codes/Scarcity Manuals is a matter falling within the purview of the State Government. However, consequent upon the various Enquiry Commissions appointed by the then Government of India, during the latter half of the Nineteenth century, a number of guiding principles had emerged which were communicated to the State Governments in the form of a Provisional Code in 1883. Various State Governments seem to have formulated their Codes/Manuals in the light of this Provisional Code forwarded to them by the Government of India, and quite

a few of them have made suitable modifications in the Codes/Manuals upto 1947 and after that period.

4. The review also reveals that there are some States which have not got any Famine Codes/Scarcity Manuals. Such States have in some cases issued executive instructions for tackling the drought/flood etc. situation and in some other cases instructions are issued on an *ad hoc* basis when the drought/flood conditions occur. There is a need for these States to have a Manual of their own so that it should be a guide to all concerned in the matter of giving relief to the affected population. These States may draft their Manuals after consulting the provisions of other representative Codes/Manuals, especially of the neighbouring States. These States should also keep the new points which are discussed below and incorporate these while finalising their Manuals.

5. A study of the representative Codes/Manuals of some of the State Governments having their own Codes/Manuals, has revealed that the Codes/Manuals have been revised from time to time to incorporate the latest experiences gained as a result of the handling of drought/flood operations at each successive occasion when a major drought/flood occurred in the various parts of the country. Wherever Codes/Manuals have been recently revised, it has also been found that besides incorporating the latest experience gained in drought/flood relief, an attempt has been made to bring them in line with the socio-economic objectives of the present-day Government.

6. In the above context, the main task in regard to the revision of Famine Codes/Manuals is:—

- (i) to ensure that the States which have not yet revised their Codes/Manuals should do so within a given time frame; and
- (ii) to incorporate the latest experiences gained in handling of drought/flood situations particularly those of Bihar drought of 1966-67 and of the previous year's drought/flood.

The main issues that arise in the context of revision of Famine Codes/Scarcity Manuals are indicated below:—

Policy Goals and objective of drought/flood Relief

7. The general principle of famine relief formulated by the 1878 Famine Commission and accepted by the Government of India may be reiterated with suitable modifications as below:—

- (1) To be fully prepared for scarcity;
- (2) To offer timely employment to persons capable of work in order that their physical condition may not deteriorate;

- (3) To grant gratuitous relief to those who cannot be supported in any other way;
- (4) To inspect and control so as to ensure that the help offered reaches all those who need it;
- (5) To grant aid to the actual cultivators of the soil by suspension of revenue demand and by loans;
- (6) To require the Local Self Government institutions to cooperate in carrying out relief measures;
- (7) To try to retrieve the loss suffered by kharif crop and also take steps to increase production of next rabi and kharif crops;
- (8) To take up works of productive nature which should help to make the affected areas drought/flood-proof.

Besides, a reference may be made to the effect that whereas in the past the primary object of relief was to save life and the Government was expected to make every effort to save the population from starvation or from extremity of suffering and danger to life, ensuring at the same time that there was no tendency towards indiscriminate Government charity, at present, the primary object, as one of the Codes mentions is to ensure not only that no one should die of starvation, but also to prevent physical deterioration and destitution of any people and enable them to resume ordinary pursuit of life on return of better time, and simultaneously to encourage the village community in making concerted and continuous efforts to fight a common misfortune to which we are so prone. Further whereas in the past the policy in general was to wait upon events, these days the policy is to fashion events so that scarcity or famine does not occur. In other words, approach to relief in the present context has to be more preventive than curative. The responsibility for relief which unlike in the past now rests squarely on the State extends not only to mere prevention of drought/flood but also to maintenance of a certain standard of economic health of the people.

Integration of Agricultural production programme with Drought relief

8. With these objectives and goals of policy of drought/scarcity relief having been stated, the next thing is to ensure that the Famine Codes/ Scarcity Manuals are comprehensive and contain instructions in regard to the whole range of activities necessary to be undertaken to achieve these goals and objectives. Experience of 1972 drought has shown that besides providing employment to the affected population, who were deprived of

earning their livelihood in normal course due to factors beyond their control, through opening of relief works, there is a need to take steps to retrieve and also to make up the losses sustained in kharif crop by augmenting the production of rabi and summer crops. In many cases, this is a more positive approach to mitigate the immediate adverse effects of the crop failure than providing purchasing power and gratuitous relief. This approach has also become necessary and possible in view of the significant gains made in the technology of agricultural production in recent years. The massive agricultural production programme formulated and implemented in 1972 illustrates this point fully. In this context, it is, therefore, necessary that a detailed contingency plan is prepared and kept in readiness for being operated upon by the State Governments to provide for—

- (a) easy availability of seed/seedlings for re-sowing the crops or for raising alternative crops;
- (b) arrangement for quick supply of pumps for lifting water from rivers, nallahs, etc.;
- (c) quick energisation of tube-wells;
- (d) adequate supply of credit for purchase of seed, fertilizers, pesticides, etc.;
- (e) completion/extension of water conveyance system to get full advantages of the existing sources of irrigation like tubewells, canals, etc.

Coordination and Integration of Development and Relief Works

9. In view of the increasingly large funds which are spent for the drought/flood relief in recent times, there is need to have an arrangement aimed at integration of development and relief planning of the areas affected by drought/flood. This would necessitate having a shelf of schemes ready to be switched into operation on the occurrence of natural calamity, and to have a policy frame under which the drought/flood relief operation become part of the main stream of development planning. This in turn needs a regular machinery to look after the formulation of plans and schemes for drought/flood relief.

10. Due account has to be taken of the fact that India has embarked on an era of development through successive Five-Year Plans and in respect of each State there would be normal schemes included in the State Plan through which lot of employment to the affected population can be provided. Besides, a number of schemes especially aimed at providing

employment to the agricultural labour, marginal farmers, etc. such as, MFAL, SFDA, have been introduced and are proposed to be continued. A new scheme aimed at mitigating the distress of the chronically drought affected areas known as the Drought Prone Areas Programme, has been drawn up and is under implementation.

11. The appearance on the scene of all these plans and special schemes has qualitatively changed the situation and the need of the hour is effective coordination of relief works at the field level. In the past, relief works were expected to be not necessarily productive in nature, as they were the source of providing only employment and were designed to be on a purely temporary basis. Now, however, the pendulum has swung to the other side and there is need that the relief works are primarily designed to be productive and only in exceptional circumstances the works which would not result in the creation of permanent assets may be taken up for providing relief on a purely temporary nature. This would necessitate the change in the quality of administration of relief works as the technical content would be more than that in earlier times. The Famine Code/ Scarcity Manual would have to grapple with problems, such as that of material component to be allowed in dynamic manner and make the provision for completion of incomplete works. There is need for laying down the priorities in the selection of works for relief purposes and for placing restriction on the deviation to be made from these priorities. It is found that the latest revised Madhya Pradesh Scarcity Manual has gone into this aspect of the question in a comprehensive manner and can be recommended to other State Governments for adoption. Every State Government should draw up and keep a updated list of productive works for being started in times of threatened scarcity. The list of works should take the specific resource position of the areas and should be aimed at building developmental potential of the concerned areas.

11. (a) There is a need for preparing Master Plans for Drought Prone Areas so that immediate action on productive schemes and projects included in these Master Plans are taken up as soon as drought situation develops and accelerated in the event of the intensity of drought situation in these areas worsening. The Drought Prone Areas have more or less, been identified in country and in such areas there should not be any scope for taking up unproductive works for providing employment to the affected agricultural population, except when it is altogether unavoidable. In any case taking up patently unproductive works like metal breaking on a large scale as had to be done in some of the States during the drought of 1972 needs to be altogether avoided and completely stopped through the preparation of a careful and advance plan of action for providing employment to the affected population on production and useful works. Construction of roads as a means of providing employment needs to be drastically curtailed.

Employment on Relief Works

12. Another phenomenon which has asserted itself during the recent years is that of heavy on-rush of affected people to the relief works opened for providing employment to the persons really in need. What measures should be adopted to ensure that the number at the relief works does not get unnecessarily swollen would have to be considered. Most of the Codes/Manuals at present do not contain any elaborate arrangement to restrict the number of persons given employment on relief works, except by requiring those who come to get employment to produce certificates, etc. of their being genuinely in need of employment. Some of the Codes/Manuals contain provision in regard to the total number of persons who could be provided employment, viz., 10 to 20 per cent of the affected population; whereas others contain generalized provision that all able bodied persons willing to work should be provided with employment and that relief works are works opened for relieving unemployment from amongst rural population. Specific measures to restrict the number of persons on relief works as also to prevent any tendency to use relief works for solving the endemic unemployment and under-employment problem in the rural area, such as

- (i) restricting the number of persons from each family; and
- (ii) ensuring that only persons who have either no land or have very small holdings are provided employment on relief works, would have to be gone into.

Wage Structure

13. The question of wages allowed, task prescribed, etc. is also relevant in this regard. If the wages allowed are lucrative, it would be difficult to check the on-rush of persons seeking employment on relief works. Of course, the wage allowed will have to be sufficient to enable the worker to have sufficient food at the prevailing market price for himself and his family members. If, however, the wages are suitably framed keeping in view the wages in the open market and the need that there should not be any diversion of persons employed on plan and development works to the relief works they would be conducive to restrict the number of persons employed on relief works. Special care also needs to be taken in this regard of the scheduled castes/tribes and other vulnerable sections of the rural population, so as to ensure that they are not left out of relief operations. The whole gamut of questions such as ceilings on wages, relation of wages to output reduction of task, lowering of schedule of rates, provision for employment of children, wages to be paid to the female workers, provision regarding weekly rest and maternity benefit, etc. would have to be gone into.

Administration of Relief Programmes

(a) District Level

14. In regard to the actual execution of the relief works, the effectiveness of the administration would have to be ensured. By tradition, the District Magistrate continues to be the coordinating authority for all the relief operations. Most of the Codes contain detailed provisions in regard to the responsibilities of the various Departments in regard to the drought/flood relief namely, Public Works Department, Forest, Health and Medical Services, Veterinary & Animal Husbandry, etc. However, there is need to fixed up clear responsibility upon the various Departments as also to give them necessary enhanced powers to perform the task entrusted to them in regard to matters falling within their charges. In the context of the emphasis which needs to be placed on retrieving the losses and augmenting agricultural production, Agriculture Department's role would have to be considerably enlarged and the Department equipped for performing the various activities required of it immediately in the wake of drought occurring in any particular area.

(b) State Level

15. There is need for making the Commissioner of Relief more effective *vis-a-vis* the other heads of Departments. Most of the Codes/Manuals already contain provision in regard to the appointment of either a Famine Commissioner/Special Relief Commissioner or Director of Scarcity Relief in the event of large scale occurrence of scarcity conditions in the State. The role, however, of the Scarcity Relief Commissioner/Director of Relief *vis-a-vis* other Departments needs to be redefined to be in conformity with the present heavy shift in favour of taking up productive types of relief works.

(c) Association of Non-officials

16. There is also increased need for association of non-officials in the execution of actual relief operations at the various levels, *viz.*, District, Divisional and State levels. Most of the Codes/Manuals already contain provisions in regard to the District, Divisional and State Level Advisory Committees. These may have to be further strengthened to give more representation to the representatives of the people.

16(a) Emphasis has to be laid on community action particularly in the field of medical relief and cattle relief and avoidance of mal-nutrition in the scarcity affected areas. Besides the Government-sponsored programme of nutrition and medical relief and cattle relief, the active cooperation and assistance of various voluntary organisations and non-official associations should be encouraged both for nutrition and medical relief, as has been

the case in Maharashtra and Gujarat i.e. 'Sukhdi' programme, and work done by the Medical Relief Society of Maharashtra.

(d) *Vigilance*

17. Because of the fact that by its very nature, heavy amounts have to be spent within a short span of time, there is need for the strictest supervision to be exercised on the actual execution of the relief works. Besides strengthening the administrative infra-structure of the various Departments on whom the responsibility for execution of various schemes connected with drought/flood relief devolves, there is a need for special vigilance cells to be constituted and properly equipped to ensure that no mal-practices are allowed to take place.

Prevention of Mal-nutrition

18. Nutrition feeding programmes have become a part of the total relief operations. There are regular programmes for supplementary feeding of pre-school and school children. Specific feeding programmes for drought prone areas have also been taken up by the Social Welfare Department. Suitable adjustment in the running of these normal programmes in times of drought would have to be made. Besides the officially supported programmes of nutrition feeding, offers both from foreign and local philanthropic and charitable organisation for distribution of nutritious food are sometimes received in times of droughts. Proper coordination of these offers with the regular programmes has also to be provided for. There is also need for special nutrition surveys to be conducted in the drought affected areas to keep a watch on the nutritional standard of the people so that in cases where there is marked deterioration in the nutritional level of the people, remedial steps can be taken.

19. Frequently, allegations of starvation deaths are made both in the Parliament|State Assemblies and in the Press. Although from the very beginning the policy objective behind the drought relief has been that every life should be saved and no efforts should be spared to save the population from starvation, yet before independence every severe famine took a heavy toll of human life. Now that the primary object of the drought relief operations is not only to ensure that no one should die of starvation, but also to prevent physical deterioration and destitution of the people, a greater vigilance in regard to the health and nutritional standards and availability of food in the affected areas has to be exercised. Most of the Codes have provision for giving gratuitous relief which includes running of poor-houses, orphanages, etc. But these are mainly modelled on the lines prevailing in the

pre-independence era. The relevant provisions, therefore, would have to be carefully scrutinised and elaborate arrangements embodied in the Codes/Manuals whereby it ensures that no starvation death occurs. A system by which immediate relief can be administered to any set of people who are in danger of dying due to lack of food would have to be evolved and provided. The procedure for making prompt enquiries into any allegation of death by starvation would have to be evolved and incorporated in the Code/Manual.

Mother and Child care

20. The nation's children are a supremely important asset. Their nurture and solicitude are the responsibility of State. There can be no hope for a better future unless the special needs of children in times of distress or natural calamity receive the utmost attention of the community. Suitable provisions would have to be incorporated in the Codes/Manuals for the following:—

20(a). Mother and child Care Centres may have to be started, in each village affected by scarcity, to provide the minimum health and nutrition needs of pre-school children, pregnant women and nursing mothers, who constitute the nutritionally most vulnerable section of the community. The minimum standard of intake of nutrients for each of these categories may have to be prescribed for each affected area and the mother and child care centres equipped to meet the gap between the minimum requirement and the food intake at home, by making use of the food commodities that are generally used in the affected areas. Emphasis may have to be laid on provision of clean drinking water and environmental hygiene. Simple workable procedures may have to be prescribed for identification of pre-school children for supplementary nutrition and nutritional therapy (e.g. measurement of upper-mid arm circumference and/or weight comparing it with an indicated standard).

20(b). Apart from supplementary nutrition or nutritional therapy (in cases of severe mal-nourishment requiring curative approach) the mother and child welfare centres may have to be utilised for conveying to the community, especially parents, simple educational messages relating to health, nutrition and personal and environmental hygiene.

20(c). Certain common diseases like diarrhoea, cough, fever, skin infection etc. are likely to occur amongst pre-school children in scarcity affected areas. Standing instructions may have to be worked out locally for detection and treatment of these ailments as well as for recognising the need for referrals to doctors. Certain drugs are likely to be in great demand and

sufficient quantities of those drugs may have to be procured and supplied to the affected areas (the drugs are—ferrous sulphate tablets, Vitamin A capsules, Triasyn 'B' Tablets, Phthalyi/sulphathiazole tablets, Triple Sulphonamida, Aspirin, Antibiotic eye ointment, Antiseptic Cream, Piperazine-Adipate Tablets, Chloroquine).

20(d). The pregnant mothers may have to be immunised against tetanus and the children given all the needed immunisations.

Mother and child care centres can be run by local persons with simple education if they are given training for three to seven days. Training can be arranged through medical staff of the PHC.

Food Supply Arrangements

21. In the pre-independence era till the Bengal Famine of 1943—the basic policy of the Government was that of non-interference in private trade so far as arrangements for food supply in drought/flood affected areas were concerned. The policy followed then was to depend wholly on the law of "demand and supply" in the hope that by payment of wages the trade will have sufficient incentive to bring the required goods from other parts without Government interference and only minimal governmental assistance was contemplated. Recent experience has, however, shown that it is neither safe nor wise to leave the supply of food entirely to private trade. On the other hand, to prevent supplies from drying up, or prices from rising, or to keep a check on excessive profits, it becomes necessary particularly at times of severe distress to purchase and import certain quantities of foodgrains wholly on Government account and distribute also through Government agencies. Although some of the Codes recently revised have made provisions in conformity with this change in policy, in cases where revision has not taken place the change needs to be incorporated. The Codes/Manuals would have to provide the detailed arrangements for food supply and the responsibilities of the various officers in regard to such arrangements.

Drinking Water Facilities

22. Some of the Manuals provide for making arrangements for drinking water to the affected population in the areas of severe drought. The emphasis on works of productive nature should adequately make provision for digging of wells and taking up all other schemes on priority basis for making available drinking water in the affected areas. It may also be necessary to make immediate ad-hoc arrangements for providing drinking water for which necessary provisions should be made in the Manuals of each State. The Master Plans prepared for drought prone areas should give adequate attention to the schemes of drinking water supply.

Preservation of useful cattle

23. The difficulties about fodder supply to save the cattle population in the drought affected areas have been experienced in many States during the recent droughts. All possible measures to reach fodder to the cattle and to take care of their health have been taken by the State Governments. Emphasis is to be laid on saving of useful cattle both milch and draught—rather than extend relief indiscriminately irrespective of the fact whether the cattle is useful or useless. Some States have also successfully tried emergency schemes for production of fodder. More attention need to be given to such schemes in the affected areas so that the fodder needs of useful cattle could be met at least.

“Rains Policy”

24. Arrangements for terminating the relief operations as early as warranted by the situation are as necessary as their timely commencement, so that normal agricultural operations are resumed by the people without the least delay. In other words, there has to be provisions in the Code/Manuals for an effective “rains policy” with self-contained instructions to all levels of authorities involved in the administration of drought relief to close the relief works on the on-set of rains in the affected areas. The draft measures contemplated in the Maharashtra and Gujarat Manuals are quite comprehensive and can be recommended to the other States for adoption by them.

Declaration of Scarcity

25. Lastly, there is need to have a well set procedure of declaring scarcity conditions in the areas where there is failure of rains. At present the basic criterion is that of loss of production in crops. The practice, however, varies from State to State. It is also noticed that at the first failure of rains, reports indicating occurrence of drought or scarcity conditions over vast areas involving large number of people are sent out by the State Governments which have to be subsequently changed with the progress of rains. The Codes/Manuals, therefore, need to provide that declaration of “scarcity conditions” would be made only after full and complete data in regard to loss in the production is analysed and unless the loss is abnormal, actual scarcity will not be declared. In this regard, the question of declaring any area as “famine affected” does not arise. “Famine” indicates a state of extreme paucity of food and acute form of human distress on account thereof. With the development of transport/communication facilities and improvements in the food production in the country, the conditions of famine could not be said to appear on any failure of rains. What happens is an occurrence of

scarcity conditions which may be either severe or not so severe depending upon whether the concerned areas has been visited by droughts successively for a number of years or not. In view of this, relief operations to be organised should be termed as meant for meeting scarcity conditions rather than famine. Indeed, some of the Codes/Manuals have already recognised this position and have enunciated the principle that in the context of a Welfare State there is no need for declaring famine or scarcity conditions. State has assumed full responsibility for relief and abolished the practice that obtained in regard to three stages of distress for organizing relief works, viz., (i) observation and test; (ii) scarcity (intermediate between test and famine) and (iii) severe distress.

APPENDIX VII

(vide paragraph 6.8)

Number of districts covered under the drought prone areas programme

Sl. No.	State	Number of districts	Contiguous districts in which some areas were covered
1.	Andhra Pradesh	5	2
2.	Bihar	4	—
3.	Gujarat	7	3
4.	Haryana	1	2
5.	Jammu & Kashmir	1	1
6.	Karnataka	5	5
7.	Madhya Pradesh	4	2
8.	Maharashtra	6	—
9.	Orissa	2	—
10.	Rajasthan	10	3
11.	Tamil Nadu	2	—
12.	Uttar Pradesh	6	—
13.	West Bengal	3	—
	Total	56	18

APPENDIX VIII
(paragraph 6·21)

Statewise Expenditure under Drought Prone Areas programme and Central assistance released

Sl. No.	Name of State	Irrigation	Soil conservation	Afforestation	Roads	(Rupees in crores)		Central assistance
						Other Schemes	Total	
1.	Andhra Pradesh	3·52	1·09	0·61	3·04	0·32	8·58	8·4
2.	Bihar	1·07	0·08	0·34	1·18	—	2·67	2·92
3.	Gujarat	4·42	0·67	1·37	3·13	1·15	10·74	9·77
4.	Haryana	3·29	0·05	0·09	—	—	3·43	3·00
5.	Jammu & Kashmir	0·33	0·06	—	0·58	—	0·97	0·95
6.	Karnataka	3·03	2·39	1·33	3·38	—	10·13	9·68
7.	Madhya Pradesh	6·50	—	0·19	0·71	0·04	7·44	5·18
8.	Maharashtra	9·50	1·02	0·11	—	0·81	11·44	10·79
9.	Orissa	1·49	0·34	0·03	1·14	0·41	3·41	3·11
10.	Rajasthan	5·69	0·15	1·93	5·08	1·58	14·43	13·81
11.	Tamil Nadu	1·32	0·30	0·27	1·93	0·02	3·84	3·35
12.	Uttar Pradesh	8·76	—	0·67	3·33	—	12·76	11·66
13.	West Bengal	2·15	—	0·28	—	—	2·43	2·19
	Total	51·07	6·15	7·22	23·50	4·33	92·27	84·88

APPENDIX IX

(Referred to in paragraph 6.49)

*Instances of items which were prima facie ineligible for Central assistance
or were placed under Deposits (Drought Prone Areas Programme)*

Sl. No.	Amount (in crores of rupees)	Remarks
1	2	3
<i>Karnataka</i>		
1.	1.19	Expenditure.
		(a) On unapproved minor irrigation works 0.53
		(b) In excess over ceiling limit prescribed by Central Government on—
		(i) afforestation works, and 0.28
		(ii) roads works 0.38
<i>Uttar Pradesh</i>		
2.	1.19	Agency charges at 13.5 per cent included under the programme by the Irrigation Department. Not approved yet by Government of India.
3.	0.83	Credited to "Public Works Deposits" by debit to the programme. It was explained that this method was adopted for meeting uncertain future liabilities such as for compensation payable for land acquisition, energisation charges payable to the State Electricity Board for drawing power-lines, etc. According to the Government of India, the above amount included credit of Rs. 0.08 crore on account of works done but not measured.
4.	0.18	Included under expenditure eligible for grant, although the amount would have qualified for loan assistance only, being cost of equipment, vehicles etc. in excess of 1.5 per cent of the cost of relevant works.
<i>Rajasthan</i>		
5.	0.28	Included as expenditure eligible for grant, though it should have qualified for loan assistance only, being cost of purchase of equipment in excess of 1.5 per cent of the cost of relevant works.
<i>Andhra Pradesh</i>		
6.	0.11	Loss assessed by Investigating Officer in connection with soil conservation works to the extent of Rs. 29 lakhs in the execution of which certain irregularities

1	2	3
		were noticed by Government and a departmental investigation was conducted (January 1972).
		<i>West Bengal</i>
2.	0.02	Spent on construction of two rest houses (one with air-conditioned rooms) and three rest sheds.

APPENDIX X

(*vide* paragraph 6.58)

Copy of DO No. 12-1/70-SAP dated 17th April, 1970 from Shri M. A. Quraishi, Additional Secretary, Department of Agriculture.

The question of taking up suitable programmes in selected chronically drought affected areas with a view to mitigate, if not eradicate totally, the scarcity condition in these areas, has been engaging the attention of the Government of India for sometime now. It has now been decided to take up a Rural Works Programme in such areas of your State. The emphasis under this new programme would be on the construction of civil works of a permanent nature, as would contribute to the mitigation, if not the total eradication, of the scarcity conditions in the areas concerned. Other production oriented yet labour intensive programmes like soil conservation, contour bunding minor and medium irrigation projects, construction of village/district roads, market centres, nallah and percolation bunds are also proposed to be taken up under this programme.

2. We had taken up the question of identification of chronically drought affected areas in your State in July, 1967, and suggested certain guidelines (copy enclosed for ready reference). Considering all the relevant factors, following districts in your State have been selected for this programme.

3. This scheme would be a Centrally sponsored non-plan scheme; financed on a 100 per cent basis by the Government of India. Requirements of funds for the programme in your State would depend on the suitability of schemes proposed to be taken in the areas selected. Tentatively, however, you could proceed on the assumption that a little over Rs. 2 crores would be available for each District during the remaining four years of the Fourth Plan. This figure may be regarded more as a guide to help your officers in formulation of the schemes than as a commitment on the part of the Government of India.

4. The Government of India is anxious that the implementation of this scheme should start forthwith. A number of steps have to be taken up by your State. These are discussed below:—

(i) *Area selection*: In the districts identified in your State, a careful delimitation of the actual part (s) deserving attention should be taken up immediately in hand.

(ii) *Agency for implementation:* It would be seen that the amounts envisaged are large. There has to be a proper machinery for successful and speedy implementation of this programme. The foremost requirements is the preparation of concrete schemes. We have given considerable thought to this problem. It is felt that there should be a strong coordinating authority, service by a suitable senior officer, which should be in a position to supervise, guide, plan and coordinate the various schemes throughout the State and should be squarely responsible for their implementation and execution.

The selection of such an officer has to be given the topmost priority so that he could get busy straight away with the formulation of concrete schemes and take up the implementation and execution, as soon as the same are approved by the Government of India.

As regards the agency for implementation, it will have to be examined, for each item of work under the new programme whether the existing agencies would be the most effective instrument or whether any adjustment would be necessary and, if so, to what extent. The State Government will have to determine the most suitable method of implementation of the programme within the specified period. It has also to be ensured that there is proper coordination, supervision, planning and execution at the district level. We would be glad to have your suggestions in this regard.

(iii) *Formulation of detailed schemes:* As mentioned earlier, the principle objective of the scheme is to organise permanent works for banishing emergent scarcity relief and to generate adequate employment. Such items of work as satisfy these two criteria would naturally require topmost priority. Major, medium and minor irrigation projects (all aspects, including field utilisation activities, land levelling and other infrastructure facilities necessary to develop the entire command area, including rural roads and marketing complex where necessary), soil conservation, village and district roads necessary to open up the area and for increasing agricultural production, afforestation schemes depending on the nature of the area, would all seem to be to satisfy the criteria indicated above. It is, however, likely that all of them may not be suitable for every district and also adequate funds may not be available to take up all the works which are suitable to be taken up in the selected area. *Inter se* priorities may, therefore, have to be determined. Broadly speaking, subject to the detailed consideration of the situation in each district, we would suggest the following order of priority:

- (i) Major Medium and Minor Irrigation projects (All aspects, including field utilisation activities, land levelling and other infrastructure facilities necessary to develop the entire command

area. This will include roads and marketing complexes where these are necessary).

(ii) Soil Conservation and afforestation.

(iii) Village and districts roads necessary to open up the area and for increasing agricultural production.

While formulating the above schemes it has to be ensured that this programme does not result in the substitution or slowing down of the normal development programmes, already drawn up or contemplated by your State in the Fourth Plan period. It would also have to be ensured that the funds going to the selected districts under this programme are not diverted to other districts or programmes which do not form part of this scheme. The Government of India would, therefore, like to have immediately the plan and non-plan expenditure actually incurred during 1969-70 and provided in 1970-71 on each of the items proposed to be taken up under this programme in the districts.

(iv) *Coordination of programmess* The areas selected are chronically drought affected areas. Apart from this programme and the normal developmental programme of the State, there is a desert development programme in the desert areas of certain states. When scarcity conditions arise, large scale relief works are also organised. It is, therefore, important to initiate steps for the preparation of Master Plans for the districts selected. This would naturally take time. While execution of the schemes formulated, as per the outlines indicated earlier, could proceed during 1970-71, our intention is that simultaneously suitable teams of experts should be set up in your State, which should hold discussions on the spot with local authorities and draw up concrete proposals. Master Plans should take into consideration all development schemes whether they relate to the normal development schemes or the present Rural Works Programme or other programmes like desert development, so that if scarcity conditions suddenly develop, funds allotted for relief works could be immediately utilised for the implementation of this plan and not be frittered away on schemes which have not been properly considered in advance. As soon as your experts have drawn up concrete proposals, it is proposed to send a team of central officers to discuss with you and your officers concerned the proposals so drawn with a view to their finalization.

5. I would now suggest immediate action on the above points. If we have to fulfil the objectives before us by Government we will have to work according to a rigid time schedule. Appointment of a senior officer, creation of a suitable coordinating authority at the State level, collection of basic

data and detail schemes considered suitable for the area selected for execution during 1970-71 should be completed by 30th April, 1970. We are planning to send a team of officers to your State in the first week of May, so that the schemes could be finalized and sent to us the 15th May, 1970. This would be in respect of schemes to be executed during 1970-71.

As regards the preparation of Master Plans, the team of your experts should draw up the concrete proposals by 30th September, 1970. The Central Team of officers would be visiting your State in October/November, so that Master Plans are available by 31st December, 1970. In the subsequent years of the Fourth Plan, execution of the Rural Manpower programme would be in accordance with these Master Plans.

6. To save time, a copy of this letter is being sent to your Agricultural Production Commissioner. I shall be grateful if I could be informed of the action taken and the dates which would suit your officers to receive the Central team in the first week of May.

With regards,

APPENDIX XI

Statement of Conclusions/Recommendations

Sl. No.	Para No. of the Report	Ministry/Deptt. concerned	Conclusions, Recommendation
1	2	3	4
1	138	Ministry of Finance (Deptt. of Expenditure)	Though relief of distress from natural calamities is primarily the responsibility of the State Governments, the Central Government has also been assisting the State Governments in this none-too-easy a task by means of loans and grants, whenever expenditure above certain specified limits, had to be incurred. Prior to the introduction, in April 1974, in pursuance of the Sixth-Finance Commission's recommendation, of a revised scheme of Central assistance to meet expenditure on this account, the quantum of Central assistance and the items of expenditure eligible for assistance were governed by the policy guidelines laid down in this regard initially in April 1961 and later revised in September 1966. According to the latter, which were applicable to the period 1969-74, the Central assistance was to be limited to 75 per cent (50 per cent as grant and 25 per cent as loan) of the expenditure considered to be eligible for such assistance after deducting the margins of (committed) expenditure determined by the

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Finance Commissions and the assistance was also subject to ceilings on component items as well as the entire expenditure. The Committee note with concern that, in spite of the apparently elaborate guidelines for regulating expenditure on distress caused by natural calamities, there has been an alarming increase in the total expenditure as well as the Central assistance on this account during the Fourth Plan period (1969-70 to 1973-74), when as large a sum as Rs. 1046.30 crores (of which the Central assistance amounted to the staggering figure of Rs. 832.78 crores) was spent by the States on relief of distress, as against the corresponding expenditure of Rs. 433.31 crores for the eighteen years preceding the Fourth Plan (1951-52 to 1968-69).

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2. 1.39

Ministry of Finance
(Deptt. of Expenditure)

The steep, and *prima facie* abnormal, rise in relief expenditure and Central assistance, therefor during this period has been attributed, *inter alia*, by the Ministry of Finance (Department of Expenditure) to (a) the two successive and widespread (both in terms of intensity as well as area affected) droughts in 1971-72 and 1972-73, which had weakened the economic condition of the rural population and the consequent need to provide employment on a 'massive scale', (b) the increase in the wages paid to labour engaged on scarcity relief works on account of the inflationary situation, (c) the need to enable the States to cope with the severe calamities without the Plan being unduly eroded and (d) the removal, in 1973, of the ceiling on expenditure on relief works with a view to ensuring that people seeking employment were not denied it on account of financial

constraints. It has been contended by the Department that' the expectations of the people in the matter of distress relief by Government are constantly on the rise and it would, therefore, be inappropriate to compare the present scale and extent of Government's responsibilities in regard to relief of distress with what happened, in similar circumstances, a decade ago.

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The Committee are willing to concede that the Central Government has an important and vital role in alleviating the sufferings caused to our people by the vagaries of nature and that the problems involved in dealing with crisis situations like drought, floods, cyclones, etc. are complex and demand a humane approach and that the measures necessary to relieve distress in such circumstances cannot await detailed planning and execution. They also recognise the psychological factors involved in such operations and the need to respond adequately and in time to the people's expectations in this regard. Consequently, a certain amount of flexibility and ad hocism is inevitable and, perhaps, even inescapable. Yet, as the succeeding chapters of this Report would show, the control over and monitoring of relief expenditure were deficient in many respects and the criteria for declaring scarcity, determination of the existence and extent of distress, etc. were honoured more in the breach than in their observance. After a study of the Supplementary Report of the Comptroller and Auditor General of India for the year 1973-74 (Part I), Union Government (Civil) and an analysis of the evidence tendered before them, the Committee cannot help feeling that greater care and prudence could and should have been exercised in regulating the expenditure on relief of distress from natural calamities and in ensuring that the large sums of money pumped into the economy produced tangible and lasting benefits and that

wide aberrations and infructuous activities were avoided. No detailed ex-post assessment also having been made as to how severe the drought or other calamities were in one period as compared to another and to ascertain the extent to which the steep increase in expenditure on distress relief was attributable to higher prices, higher rates of gratuitous relief, higher rates of assistance, etc. the Committee cannot also resist the impression that the total expenditure and Central assistance during the Fourth Plan period was somewhat liberal and even over-generous.

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1' 41 Ministry of Finance
(Deptt. of Expenditure)

The representative of the Department of Expenditure also conceded during evidence that the various factors enumerated above notwithstanding "one may conclude from the figures that the extent of relief attempted by the State Governments in that period may have been over-generous", and that "the rate at which relief expenditure was incurred in the Fourth Plan was greater than the resources of the country permitted and appeared to be higher relative to the calamities of that time". He was also candid enough to admit that the excessive expenditure, beyond the resources then available to deal with natural calamities in a situation where there were already inflationary pressures, "did play a very substantial part in fuelling the inflation of 1973-74 and 1974-75." It is thus evident that the pumping of large sums of money in an economy unable to absorb them was, in the final analysis, not very beneficial.

As has been pointed out elsewhere in this Report, wages accounted for a major portion of the expenditure and the creation of durable and productive assets which could have sustained the economy in the long run

was given a lower priority in the scheme of relief expenditure by most of the States. Besides, as has been pointed out by the Sixth Finance Commission, the mounting expenditure on relief also caused "serious distortions and inequities" in our schemes of federal finance. The Committee are, therefore, of the view that greater financial restraint and discipline should have been ensured by the Central Government. The step that was ultimately taken in April 1974 to curb the somewhat excessive zeal of the State Governments in incurring expenditure on relief, should have been taken earlier when it came to be known that the existing regulatory mechanisms were not functioning properly and effectively.

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Apart from the fact that no regulatory measures were initiated in time to check the rising trends of expenditure on relief during the Fourth Plan, what causes greater concern to the Committee is that no critical evaluation has been made to see whether the massive relief expenditure of over a thousand crores of rupees incurred during this period had resulted in tangible and durable benefits. It was indicated to the Committee during evidence that the Finance Ministry had no machinery for such an elaborate economic enquiry and that, if felt necessary, the Planning Commission's Programme Evaluation Organisation could be asked to undertake such a study. Considering the enormity of the expenditure and of the Central assistance extended during the Fourth Plan, the Committee are of the opinion that it would be worthwhile, even at this late stage, to attempt such an evaluation so as to determine what have been the continuing benefits flowing from this investment. Since this would also provide valuable lessons for the future, the Committee desire that the study should be undertaken forthwith and the results intimated to them. They have

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no doubt that the State Governments too would extend necessary cooperation in such an overall assessment.

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Though late than never, Government have now revised, with effect from 1 April 1974, the pattern of Central assistance for expenditure on relief of distress from natural calamities. Under the new dispensation, while State Governments are expected to bear the non-Plan expenditure on relief measures from their own resources supplemented by the 'margin money' provided by the Finance Commission, Central Assistance is confined to Plan expenditure and given to the States in the form of 'Advance Plan assistance' and is meant to accelerate on-going works of a Plan nature under irrigation, soil conservation, afforestation, roads, drinking water supply schemes, etc. Such dove-tailing of relief expenditure with works which would normally be included in the Plans is a welcome step, as this would ensure better application and utilisation of the Central assistance on works of a truly productive nature while subserving, at the same time, the requirements of generation of employment for the drought-affected population.

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The Committee have been informed in this connection that though it is too early to make any specific assessment of the efficacy of the new policy, the experience so far has been by and large satisfactory and that it has helped to introduce the concept of integrating relief and plan expenditures and to bring about a measure of financial restraint and discipline. The Committee also find that the quantum of Central assistance given

during the first two years of the Fifth Plan (1974-75 and 1975-76) was far lower than what was given during the Fourth Plan and amounted respectively to Rs. 49.88 crores and Rs. 35.33 crores (as against the average annual assistance of Rs. 166.55 crores during the preceding five years). While this is certainly a welcome trend the Committee cannot, however, lose sight of the fact that the impact of scarcity was considerably reduced and the requirement of relief was also consequently less in these two years.

They would, therefore, like Government to keep a constant and vigilant eye on the functioning of the revised scheme of Central assistance so as to take timely corrective measures whenever found necessary and also to ensure that the requirements of financial discipline and the needs of State Governments in times of real distress are happily binded together and harmonised.

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The Committee regret to note that in spite of considerable time having elapsed, it has not so far been possible to effect adjustments of grants and loans given by the Central Government to the States for relief measures on a provisional basis and finalise the accounts thereof. As would be evident from the correspondence exchanged in this regard between the Finance Ministry and Audit, which has been discussed earlier (*vide* paragraphs 1.35 to 1.37), the question appears to be fraught with a number of problems, a satisfactory solution to which is yet to be found.

While the Committee desire that this long outstanding problem should be resolved satisfactorily, without of course sacrificing the fundamental objectives, with all possible expedition, they cannot help feeling that many of the problems now encountered would not have arisen at all or resisted solution for so long had Government taken the initiative in 1961 or at least

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9.	2.42	Ministry of Finance (Deptt. of Expenditure)/ Ministry of Agriculture & Irrigation (Deptt. of Agriculture)	<p>in 1966 (when the policies in regard to Central assistance were spelt out) to settle, in advance with the Comptroller & Auditor General, a satisfactory method of accountal of relief expenditure after taking into account all the factors and difficulties involved. It is surprising, to say the least, that this was not done.</p> <p>The need for maintaining a regular and efficient channel of information to detect impending distress and being in a state of preparedness to tackle situations arising from natural calamities, cannot be over-emphasised. It is equally important to prescribe suitable criteria and guidelines for determining the nature and extent of a calamity and the measures necessary for quickly and effectively relieving distress while at the same time exercising adequate and proper control over the requirements and utilisation of funds for relief expenditure. The Committee are, however, surprised to learn that as many as nine States (Andhra Pradesh, Assam, Haryana, Himachal Pradesh, Jammu & Kashmir, Manipur, Meghalaya, Nagaland and Tripura) have as yet no famine codes or scarcity manuals of their own dealing with the <i>modus operandi</i> of relief administration. While Andhra Pradesh has adopted for the purpose the Madras Famine Code and the Hyderabad Scarcity Manual and Himachal Pradesh the code in force in neighbouring Punjab, the States of Assam, Haryana and Jammu & Kashmir follow the executive instructions or rules on the subject issued from time to time. Meghalaya and Tripura, on the other hand, following respectively the executive instructions issued by the State Government of Assam and the instructions issued by the Government of India. It has, no doubt, been claim-</p>

ed by the Finance Ministry's representative that even those States which have only framed rules governing relief operations have been regulating, their expenditure on the basis of well-established norms and that there was, therefore, no reason to suppose that the absence of codes and manuals had been responsible for the excessive expenditure on relief during the Fourth Plan. Nevertheless, judging from the instances cited by Audit (which have been discussed in detail in a later section of this Report) of lack of advance preparation for dealing effectively with natural calamities, infructuous expenditure, etc., the Committee cannot help feeling that a proper and systematic codification or manualisation of the norms and principles governing the regulation and monitoring of relief operations and expenditure might have, perhaps, improved matters and ensured better results. They, therefore, desire that the Central Government should take up suitably with the State Governments concerned the question of bringing out, without further loss of time, necessary famine codes and scarcity manuals containing well-defined criteria and clearly laid down procedures for the conduct of relief operations.

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The Committee have been informed that some State manuals and codes were brought out a very long time ago" (in Tamil Nadu, for instance, the Famine Code as it was in force prior to 1947 is still in vogue, which has in turn, been adopted in the Andhra region) when the emphasis on relief operations as well as the socio-economic conditions of the people were different. While some State Governments are stated to have modified these manuals from time to time to suit the changing circumstances, the representative of the Finance Ministry conceded during evidence that in view of the fact that people today expected a greater degree of assistance and relief

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than they were satisfied with fifteen years ago and Government were also inclined to extend more specific assistance like supply of seeds, provision of fortified food for children, etc., for ameliorating distress from natural calamities, the internal codes of the States "have to be brought upto date to enable full use to be made" of the forms of assistance now available. This underscores the urgent need for a review of the provisions contained in the famine codes of scarcity manuals of various States and their revision in the light of the changed circumstances and in order to obviate the need for *ad hoc* measures in times of distress.

11 244 Ministry of Finance (Deptt. of Expenditure)/
Ministry of Agriculture & Irrigation (Deptt. of Agriculture)

That the existing provisions and procedures in some States are not comprehensive or adequate is also evident from the innumerable instances cited by Audit of variations between the procedures outlined in the manuals and those actually followed, of different norms adopted for the assessment of scarcity conditions, absence of criteria for assessment of the existence and extent of distress, etc. For instance, as has been pointed out elsewhere in this Report, the Government of Rajasthan have not prescribed the criteria on which scarcity conditions are to be assessed. Similarly, the Government of Uttar Pradesh and Karnataka have also not laid down the basis to be adopted in determining the existence and extent of distress. Again, in Orissa, Collectors were authorised to select areas for starting relief operations on certain principles which were changed from time to time. The Committee would, therefore, recommend that the matter may be pursued with the State Governments so as to have their famine codes and scarcity manuals

updated to provide suitably for the changes in emphasis that have taken place in recent times so that the forms of relief and assistance available are precisely identified and the people also know what assistance they can look forward to in the event of natural calamities.

12 2·45 Do.

The instances highlighted by Audit also bring into sharp focus the desirability of evolving uniform criteria and norms for the conduct of relief operations in various States. While the Committee concede that it might be impractical to insist on absolute uniformity in the procedures and norms adopted for relief operations, since the magnitude and complexities of relief problems are stated to vary widely between different States, they are nevertheless of view that it should be possible and also necessary to impart a certain degree of uniformity at least in regard to the basic premises governing relief operations and expenditure. For instance, the criteria for determining the nature and extent of a calamity and assessing scarcity conditions, in respect of which there appears to be no uniformity at present, should well be amenable to uniformity. Similarly, it should not be too difficult to prescribe specific and uniform criteria for extending relief to the affected population. This would ensure that people in these States which apply stringent criteria for regulating relief operations are not discriminated as compared to those in States applying more liberal criteria and norms in this regard and eliminate disparities in the determination of scarcity conditions and in the matter of extending relief.

13 2·46 Do.

That the question of evolving a more unified set of codes and manuals had been agitating also the Central Government is evident from the fact that a background paper containing guidelines for relief of distress caused by

natural calamities, prepared in consultation with the Finance Ministry and the Planning Commission, had been circulated in December 1973 by the Department of Agriculture to the State Governments for their consideration and further discussion. The proposal, however, was not followed up as the State Governments had not evinced much enthusiasm for Central guidance in this field. In this context, it was stated by the representative of the Finance Ministry that while that Ministry did not have any fixed views on this question, they felt that with the changes introduced in the pattern of Central assistance from April, 1974, according to which the Centre's new role was only to provide finance for accelerated Plan schemes under a well-defined pattern, the need for a uniform famine code was no longer a matter of urgency. It has also been contended that as the question of providing relief in times of distress was essentially the States' responsibility, the Central Government's intervention in this regard was hardly necessary. The Committee are, however, unable to accept these pleas. First, the mere fact that the pattern of Central assistance has been changed does not materially affect the position in view of the fact that Central financing of the States expenditure on relief is only one aspect of the whole gamut of relief administration. Besides, if as stated now, the need for uniform guidelines had disappeared, it is somewhat difficult to reconcile the subsequent revival of the proposal in January 1976, when a slightly modified version of the earlier background paper had been circulated to the State Governments for appropriate action. As regards the argument that relief of distress is essentially the responsibility of the State Governments, the Committee are of the

view that the Central Government also has an important role to play in this regard and it cannot absolve itself entirely of all responsibility in what is essentially a gigantic national task. Rather than adopting a purely legalistic stand on this question, the Centre should take the lead and evolve a set of guidelines and principles. Since an exercise in this regard has already been carried out by the Central Government, it should not be too difficult to meet the Committee's desire on this important issue by conclusively following it up with the State authorities so as to have agreed guidelines and principles for dispensing relief to the people in times of floods, drought and other natural calamities.

14. 3'59 Ministry of Finance
(Deptt. of Expenditure)

The Committee find that the existing system of reporting the nature and extent of a natural calamities suffers from a number of deficiencies. In most States no systematic procedure seems to have been followed by district officers reporting on the drought flood, cyclone, with full details collected from different sources checked by senior officers and leading, in turn, to an assessment by the State Government on the nature of calamity, its severity, areas affected, and decisions on the type and quantum of assistance, required. It is observed that mostly reports were either not received from district officers or if received were lacking in essential details. There were wide variations in the information collected by different district officers or even by the same authority on different occasions. Quite often, the initiative for declaring scarcity or starting relief operations came from the State Governments and not from district officers who are expected to watch, assess and report. The Committee have also noted that decisions by State Governments were not always based on information contained in reports of district and other officers. Statistics of rainfall crop production, etc. compiled by various authorities were, on a few occasions, diff-

erent from the assessment on which relief measures were initiated. In actual implementation, relief measures were sometimes implemented in areas not identified as affected by the calamity. The States where some of these deficiencies have been noticed are Andhra Pradesh, West Bengal, Rajasthan, Bihar, Gujarat, Madhya Pradesh, Karnataka, Uttar Pradesh and Maharashtra. Commenting on these deficiencies, the Ministry of Finance have observed "Even though there may have been deficiencies in the existing system of reporting, in so far as the Central Government is concerned uniformity used to be ensured through the media of Central teams". They have also pointed out in this connection that as relief of distress caused by natural calamities is the responsibility of the State Governments, the figures given in the Memorandum submitted by State Governments to the Central teams are taken as authoritative and that if any discrepancy is noticed between the figures sent by district officers and others, the same are, the Committee have been assured, brought to the notice of the State Governments concerned and a firm figure obtained. However, if the specific instances of discrepancies in the extent and nature of calamities reported by different agencies highlighted in the Audit Report are any indication, the situation does not appear to be entirely satisfactory and suitable corrective measures seem necessary. Stressing the national importance of the subject, the Committee would recommend that the Central Government should take the initiative and ensure that a system is devised by which natural calamities and their extent as well as the relief measures necessary are

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Ministry of Finance
(Deptt. of Expenditure)

reported upon with the utmost expedition and in as accurate a manner as possible so as to enable prompt and appropriate measures being taken to alleviate distress.

The Committee find that of the amount of Rs. 543.86 crores incurred on relief works by nine States (Maharashtra, Rajasthan, Gujarat, Andhra Pradesh, West-Bengal, Karnataka, Orissa, U.P. and Bihar) during the Fourth Plan (April 1969 to March 1974) as much as 61 per cent (*i.e.*, Rs. 336.78 crores) was spent on unproductive works like roads and metal breaking. It was admitted during evidence that "these works, as one might put it, were roads from nowhere to nowhere". Some of these works, it was stated, had no relation to the 20-years Road Development Programme. The expenditure has been sought to be justified because "it was essential to provide employment close to distressed people's places of living." According to the representative of the Ministry of Shipping and Transport, the entire expenditure cannot be described as wasteful because part of that expenditure was on metal breaking at quarries which at least was put to productive use. From the figures made available to the Committee, it has been noticed that of the metal broken and collected during the Fourth Plan the utilisation was hardly 18.9 per cent in Maharashtra, 55 per cent in Gujarat etc. The Committee would like to point out that the utilisation of stone metal was the lowest in a State like Maharashtra which spent the highest amount (Rs. 140.19 crores) on this account.

In this connection, it is pertinent to recall the statement of the representative of the Ministry of Finance during evidence that "the Central Teams also in many cases have clearly advised the State Governments to concentrate on works other than roads making and metal breaking" and in Govern-

ment's view money should be spent preferably on on-going medium and minor projects. The Central Team which visited Rajasthan in 1969 has unequivocally stated that "it is better that instead of roads more productive works are carried out". Despite the awareness, on the part of the Government, of the relatively little or no returns from relief operations of this nature, the Committee note with surprise that the major portion of the expenditure of Rs. 336.78 crores was incurred by nine States on roads and metal breaking during the Fourth Plan. The amount spent on irrigation accounted for only 18 per cent of the total expenditure on relief works. The Committee cannot view with equanimity the preponderant emphasis that was placed on road building and metal breaking works without adequate attention being paid to their long term utility.

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The Committee concede that it may not always be practicable, in a crisis caused by a natural calamity, to ensure that only works of a durable nature are undertaken to provide relief employment. They would, however, urge that, as far as possible, the relief measures should be suitably integrated with on-going plan schemes or schemes which might have been deferred on account of financial constraints, so that funds allocated for distress relief are utilised more gainfully and serve the dual objective of alleviating distress as well as creating durable and lasting assets which would in turn mitigate if not altogether eliminate, the adverse effects of future natural calamities which may occur. This could be achieved by adequate advance planning

and the preparation of a shelf of schemes (referred to later in this Report) to be utilised in the event of a calamity.

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A striking feature revealed by analysis of expenditure on irrigation is that though funds were allocated in some States to major and medium projects to accelerate their completion and to provide relief employment, the States were not able to make headway in achieving the underlying objective. For instance in one State the largest number of persons employed on four irrigation projects was around 31,000 (July, 1973) as against its intention to employ 1,00,000 persons.

In another State, though the State Government spent a sum of Rs. 10.56 crores from relief funds on three irrigation projects including the State Electricals Board, the money was stated to have been spent on material intensive works in progress.

In yet another State, the Committee learnt that though more labourers could have been employed on 11 out of 15 major irrigation projects in the States, only 69,000 labourers were employed.

Though the attempts by these States have not gone very far in achieving the objective, the fact that these States did make attempts in this direction should commend itself to other States. The Committee would, however, recommend that the Government should identify the factors responsible for the limited success of the schemes for integrating measures for relief employment with on going major and medium irrigation schemes. Such an exercise might lead to a greater success of the scheme in the event of a natural calamity.

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Ministry of Finance
(Deptt. of Expendi-
ture)

The Committee stress that consistent with economy and the resources available every effort should be made by State Governments to provide relief employment to maximum number of people, hit by drought conditions etc. on irrigation projects (major, medium and minor etc).

The Committee find that while, on the one hand, relief funds running into crores of rupees were being spent on unproductive works like roads and metal breaking causing depletion of plan resources, there were instances on the other hand of under-utilisation and non-utilisation of other funds which if gainfully spent, might have provided greater employment opportunities to the people in distress. To quote a few instances, of the Rs. 67.78 crores provided for 32 plan and non-plan schemes in the budgets of Andhra Pradesh for the years 1971-72 to 1973-74, Rs. 12.43 crores were surrendered. In West Bengal out of the provision of Rs. 22.24 crores for employment-oriented schemes like the Drought-Prone Areas Programme, Crash Scheme for rural employment etc. for the years 1970-71 to 1973-74, Rs. 7.09 crores remained unspent. Government of Bihar is reported to have surrendered Rs. 4.16 crores out of Rs. 5.49 crores allotted for employment oriented schemes during 1971-72 and 1972-73. The Ministry of Finance have tried to explain that surrender of funds under one item should not be viewed in isolation but should be considered alongwith excess expenditure on other items. The Committee were informed that as on 29 April, 1972, the States had an accumulated over-draft of Rs. 641.92 crores which had to be cleared by the Centre through special loans. The Committee concede that but for such surrenders of funds, the cumulative deficit|overdraft of States would

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have been even larger than what it was. But the fact cannot be gainsaid that such a practice has a *general effect on the resources position of the Government*. While on the one hand government is hardput to find resources for assisting the States to tide over the difficult situations created by natural calamities, the States on the other hand surrender funds because of the lack of meaningful projects to expend the sums thereon. The Committee therefore would urge that funds earmarked for employment-oriented schemes may be utilised by the States to the maximum extent possible in keeping with the Government's *aims of finding productive jobs for the unemployed millions*.

The Committee note that the main responsibility of a Central team is to make an on-the-spot assessment of the situation created by the natural calamity, determine the nature and extent of relief measures that the State would have to take to cope with the situation and to recommend the ceilings of expenditure for various purposes which should qualify for central assistance. In their report, the State Finance Commission had expressed the view that by and large the findings of the Central Teams "tend to be of an impressionable nature" because in their view these teams were constituted at short notice, were composed of representatives drawn from various Ministries only, and undertook only brief visits. The Secretary, Ministry of Finance (Department of Expenditure) has admitted during evidence that during their brief visits to States which generally ranged from 3 to 7 days these teams neither scrutinised the works in progress nor the extent of actual damage done by a calamity. It was also revealed during evidence that these teams did not check in detail the propositions made in the Memorandum submitted by a State Government to back its claim for Central assistance.

The Secretary, Ministry of Finance, in his evidence before the Committee has drawn pointed attention to the fact that the Central Team holds "a

general discussion at the official level between the senior officers of the States concerned and the Central Team followed usually by some kind of a visual inspection of the damage done". He has reminded the Committee of the fact that "we are dealing as a part of the constitutional set-up in the country, as Central Government, with the State Governments, the State Legislatures, the State Ministers and the State Executives." It would appear that the Central Teams, play at present a very limited role in the matter of assessing the damages as also the financial assistance that would be needed by the States to cope with the situation.

The Committee would like Government to consider how the assessment by the Central Team could be made more pertinent and informative so as to see that the agreed objective of expending relief on approved Plan schemes to provide gainful employment to drought hit people was better achieved.

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**Ministry of Finance
(Deptt. of Expenditure)**

The Committee note that in their Report, the Sixth Finance Commission (1973) had observed that the practice of keeping ready a list of works "appears to have fallen into disuse in many states". Though Collectors were expected to prepare and keep ready a shelf of relief works which could be started at short notice, such an exercise was not done in most of the States even in districts which had repeatedly been affected by drought, floods or cyclones in the past, with the result that there were delays in selection and commencement of relief operations and even where works were started, these were not systematically progressed and completed. Admitting during

evidence that "these criticisms in detail are correct", the Secretary, Ministry of Finance has explained that with the change in the pattern of Central assistance, the schemes would be included in the Plan and therefore the question of their being left incomplete would not arise.

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The Committee concede that relief of distress caused by natural calamities is primarily the responsibility of the States and that with the change in the pattern of Central assistance for relief measures effective from April 1974, the role of the Central Government has become further limited. However, keeping in view the fact that large areas of the country are prone to natural calamities, and the importance of a coordinated national effort, the Committee would suggest that Central Government should, using its good offices, emphasis on the States the need to see that detailed schemes for providing durable infrastructure facilities for development in these districts/ areas, as per plan, are prepared and kept ready in advance so that these could be put into operation with out delay to provide gainful employment for the needy in times of distress.

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The Committee are perturbed to note that while the State Governments spent as much as Rs. 1046.30 crores during the Fourth Plan (1969-70 to 1973-74) on relief of distress to the people caused by natural calamities, no monitoring system was in operation throughout the Plan period to keep a watch on the physical achievements resulting from such expenditure with the result that no precise estimate of the durable assets, if any, created by such a massive investment was available. The Committee are not impressed by the plea made during evidence by the representative of the Ministry of

Finance that as the relief of distress was primarily the responsibility of the State Governments, the question of monitoring by the Centre did not arise.

The Committee feel that if a monitoring system had been developed, it would have enabled the Central Government to keep a contemporaneous watch on the developments in the field and so direct the effort that the colossal amount of Rs. 832 crores which was disbursed by way of Central Government assistance during the Fourth Plan was utilised to the best public advantage by creation of durable assets preferably as per the approved Plan schemes.

Even with the modification of the assistance scheme from April 1974, the Committee feel that the need for monitoring has not been obviated as it is but appropriate that the Centre should know contemporaneously how the accelerated financial assistance is in fact being expanded in the field for implementation of approved Plan schemes.

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Ministry of Finance
(Deptt. of Expenditure)

The Committee are perturbed to note that even though State Manuals prohibit employment of contractors for execution of relief works, except under certain circumstances, so that relief is provided directly to the affected population and intermediaries are avoided, some of the States, e.g. Andhra Pradesh, Maharashtra and Bihar had been entrusting relief works to private contractors who, it is understood, made sizeable profits in the process. As pointed out by Audit, a Central Study team which visited the State of Andhra Pradesh had assessed that out of Rs. 22 crores spent on relief works

during 1972-73, as much as Rs. 2 crores or so had gone as profit to contractors and intermediaries and to that extent reduced the amount of relief available to those affected. The Team also pointed out that the contractors were making profits which, in some cases, were as high as 15 per cent. The representative of the Ministry of Finance explained during evidence that 15 per cent margin did not consist entirely of profit and that even if Government were to handle these works departmentally, there would have been a 12 per cent Government supervision charge. The representative, however, assured the Committee that the observations of the Central Study Team about the contractor's profit to the tune of Rs. 2 crores would be gone into.

The Committee have been given to understand that from April 1974, there will be no distinction as such between relief works and the plan works. It is also understood that the States are free to entrust their plan works to any agency including the contractors. The Committee learnt during evidence that even prior to April, 1974 no guidelines were issued by Government on this subject.

The Committee need hardly point out that it would obviously be better to maximise the percentage of resources devoted to the actual implementation of the schemes in the field by reducing the overheads on departmental charges, contractors agencies etc. The Committee would like the Government to review the matter in detail and lay down suitable norms in this behalf.

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The Committee note that during the five years ending March, 1974, the State Governments spent as much as Rs. 110.68 crores on 'Gratuitous Relief' including cash doles to disabled and indigent persons, free or con-

cessional supply of food, clothes and similar items. The States which spent the largest amounts on this account are Uttar Pradesh (Rs. 29.77 crores), West Bengal (Rs. 27.88 crores) and Bihar (Rs. 18.28 crores). The Committee understand that as early as 1953 Government of India had decided—the decision was reiterated in 1966—that gratuitous relief should be given only to disabled and like persons who were unable to work. In their discussions with the States, the Central Teams had also been cautioning the States against spending larger amounts on doles and gratuitous relief. The Committee are, however, concerned to note that despite repeated advice from the Central Government, the States have been spending on gratuitous relief liberally.

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The Committee also find from the Audit Report that the scope, scale and the principle governing grant of gratuitous relief vary from State to State. In certain States *e.g.*, Bihar, Uttar Pradesh, Jammu & Kashmir the principle of gratuitous relief has been extended to fires in which houses of many people are burnt. In certain States notably West Bengal, gratuitous relief was even treated as a social service payment which was distributed almost every year whether there was a calamity or not. Though with the change in the pattern of Central assistance from April 1974, expenditure on gratuitous relief is met by the States themselves, the Committee would like the Central Government to evolve, in consultation with State Governments, guidelines and principles for the grant of gratuitous relief and commend them to the State Governments for observance. This would make for uniformity of approach to the problem.

As the Audit Report shows besides undertaking Relief Works for and providing Gratuitous Relief to the people in distress, State Governments have been taking 'other relief measures' like provision of drinking water, cattle preservation, supply of fodder, seeds, fertilisers, grants to, or relief schemes for weavers, artisans and others, remission of revenue, reimbursement of tuition fees, medical relief, repairs to public properties, such as irrigation sources, buildings and roads, grants for reconstruction of damaged houses and grants for repair of school buildings. The expenditure on these measures amounted to Rs. 142.40 crores during the five years April 1969 to March 1974. The Committee are distressed to note that, as pointed out by Audit, there were delays and even deficiencies in the administration of such measures.

The Committee need hardly emphasise the need for the administration of relief measures in a manner that ensures timely but adequate relief to the people in distress. The Committee desire that the attention of the State Governments may be drawn to the defects in the administration of relief pointed out by the Audit for studying their cases and drawing lessons therefrom to avoid them in future.

Ministry of Agriculture and Irrigation (Department of Rural Development)

In February, 1970, the Government of India decided to launch what was then known as the Rural Works Programme (later renamed as the Drought Prone Areas Programme in January, 1972) as a non-plan Central Sector programme with an outlay of Rs. 100 crores during the Fourth Five Year Plan ending March, 1974. The Committee find that the State Governments were asked on 17 April, 1970 to compile by 30 April, 1970 (within a short span of 13 days) detailed estimates for schemes to be executed in 1970-71. Though it was explained to the Committee during

evidence and in written replies that the sectors included in the programme were such for which advance planning was normally done at district level, the Committee have no doubt in their mind that the time of 13 days allowed to State Governments to undertake these tasks was unjustifiably short keeping in view the fact that preparation of estimates involved identification of areas in the selected districts which deserved attention, selection of appropriate schemes or works keeping in view the priorities of the programme and creation of suitable co-ordinating machinery etc.

27. 6.143 Ministry of Agriculture and Irrigation (Department of Rural Development)

Yet another area of planning where the State Governments were asked by the Government of India to move faster than they could was preparation of Master Plans for schemes to be launched under the Drought Prone Areas Programme. State Governments were asked on 17 April, 1970 to draw up the Master Plans by 30 September, 1970 so that these could be discussed by the Central teams in October and November, 1970 and submitted to the Government of India by December, 1970. The representative of the Department of Rural Development has stated during evidence that the reason for having such a tight schedule was that the Government of India were anxious to introduce the programme from the financial year 1970-71 itself. The Committee were informed by the Department that the period of six months allowed for preparation of Master Plans was "at that time considered adequate". Whatever may have been the justification for laying down this tight time limit, the fact that Master Plans were prepared for only 9 districts in 1970, 42 districts in 1971, 12 dis-

tricts in 1972 and 8 districts in 1973 proves eloquently that the time allowed to States for this exercise was utterly inadequate, especially when some of the States lacked technical staff for formulation, scrutiny and finalisation of Master Plans. The Committee are left with the impression that the preliminary work in the Programme was undertaken without adequate preparations therefor.

28.

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The Committee find that the Rural Works Programme had a chequered course from its very inception. It was launched in the year 1970-71. In January, 1972, it was re-named as Drought Prone Areas Programme. In 1972-73 its classification was changed from non-plan programme to a Plan scheme. The programme was reoriented by changing its emphasis from creation of employment opportunities to undertaking of development works. Before the programme as re-oriented could even gather some momentum, the Government of India advised the State Governments telegraphically on 17 July, 1973 to stop all programmes except irrigation schemes, thus bringing to a sudden halt all soil conservation, afforestation and road works in progress under the programme. This step was stated to have been taken because of then prevailing financial stringency. Later, the Government of India (Department of Agriculture) informed all State Governments on 19 October, 1973 that Central assistance (Rs. 11.33 crores) released for 1973-74 was to be reckoned against expenditure already incurred by States till July, 1973 and any balance of the allotment left over could be utilised on minor irrigation works after July 1973 till March, 1974. State Governments were also requested to complete the incomplete works out of their own resources. As pointed out by Audit, the effect of the telegram of July, 1973 followed by the circular letter of October, 1973

was that many works were left incomplete, work on a large number of which was not resumed later. The Committee feel that the action of the Government in suddenly stopping all schemes except irrigation schemes in July 1973 was, to say the least, precipitous. The financial situation which prompted the Government to take the steps could not have cropped up suddenly in 1973 and, therefore, if it was impended to foreclose the programmes it should have been phased out suitably, and the State should have been forewarned. As matters stood, all activities except minor irrigation works came to an abrupt halt.

29.

6.145

Ministry of Agriculture
and Irrigation (Department
of Rural Development)

According to the Programme's original concept, its main emphasis was on generation of employment opportunities in areas where the problem of rural unemployment and under-employment was acute but, on re-orientation, the primary focus was shifted to development works so as to provide a permanent solution, to the extent possible, of the drought problem rather than on schemes merely to create employment opportunities. However, the Committee are unhappy to note that no serious attempt was made in the majority of the States to re-orient the programme to the new concept and even the few States like Rajasthan which did formulate schemes conforming to the new concept, did not execute some of these schemes in entirety. It is difficult for the Committee to accept the assumption that there was no real scope in February, 1972 for re-orientation of the works in the programme in many States because they find that administrative appro-

vals for schemes under the Programme aggregating Rs. 39.62 crores were given over during 1972-73.

30. 6.146

Do. The Committee are concerned to note that even in States where Schemes conforming to the revised concept of the Drought Prone Areas Programme were drawn up, the progress in implementation of such schemes was not very impressive. For instance, out of 29 schemes taken up during the Fourth Plan under the Rural Water Supply Project of Rajasthan estimated to cost Rs. 3.35 crores, only 17 schemes were completed and that too by 1975-76. Expenditure to the extent of Rs. 1.61 crores was incurred on these schemes during the Fourth Plan. The Committee were assured in a written note that the remaining schemes of this project were expected to be completed by March, 1977. They would like to know whether these schemes have in fact been completed and commissioned.

31. 6.147

Do. In this context, the Committee would like to refer to certain innovative, and beneficial projects which were taken up for implementation in Rajasthan but were later dropped on the plea of the lack of financial resources. The State Government of Rajasthan formulated three projects viz., (i) Dairy Development Scheme for which Rs. 1.04 crores were allotted; (ii) Drought Proofing Project in Barmer district for which Rs. 0.99 crores were allotted in 1972-73 and (iii) Migratory Sheep Scheme in Jaisalmer district for which Rs. 0.40 crores were allotted in October, 1972. While giving administrative approval to these schemes, a condition was stipulated by the Government of India that the State Government would accommodate the schemes within the funds available to the State Government under the DPAP.

As regards the Dairy Development Scheme, before the State Government could make any headway, the Government of India informed in July 1973 that due to budgetary constraints, only these programmes like irrigation, etc. which could not be left incomplete, should be implemented and other programme should stop. In so far as the Drought Proofing Project in Barmer/district is concerned, the State Government formulated an ambitious scheme envisaging a provision of infra-structure for milk and wool marketing and input programme for animal health, cross breeding, food supply, fodder supply, electrification, tubewells and drinking water supply. But later due to budgetary constraints, the scheme was not taken up and no expenditure was incurred on the approved items.

The Migratory Sheep Scheme at Jaisalmer district was formulated to improve the economic condition of migratory sheep breeders through increased wool and mutton production but the project could not be put on ground as the constraint in resources was said to be acute in 1973-74.

The Committee are not happy at the way in which these schemes were in the first instance cleared by the Government of India and later deferred on the plea of financial constraints. While appreciating the fact that priority was to be given for the completion of on-going irrigation schemes which had been started by the Government of Rajasthan in the years 1970-71 to 1972-73, the Committee are unable to appreciate the rationale behind the summary suspension of the three schemes which, *prima facie* appeared to

offer some hope to redeem the position in these chronically drought prone areas. It is noted that in the Fifth Five Year Plan the development strategy has been changed and now the emphasis would be on development of pasture, dairy and cattle in Rajasthan. The Committee would like progress to be made in implementation of scheme particularly in the drought prone areas during the current Plan period.

32.

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The Committee find that as against total approved outlay of Rs. 111.82 crores for schemes under the Drought Prone Areas Programme during the Fourth Plan, the Government of India issued administrative approvals releasing a total sum of Rs. 84.88 crores. The total expenditure as reported on schemes under the programme was Rs. 92.27 crores. Though the expenditure was more than the amount for which administrative approvals were given, it was only 83 per cent of the total approved outlay. On one side of the spectrum are States like the Uttar Pradesh, Tamil Nadu, Madhya Pradesh, Haryana and Andhra Pradesh which utilised more than 90 per cent of the outlay, on the other there are States like West Bengal, Bihar and Jammu and Kashmir where percentage utilisation of approved outlay was as low as 60.49 and 44 per cent respectively. The Committee are surprised that even States like West Bengal and Bihar, which had been victims of recurrent drought and floods should have lagged behind to this extent in utilising the outlays approved for them under the Drought Prone Areas Programme. The Committee would like the Central Government to review the position in consultation with the State and take concerted measures to speed up implementation of the programmes in the field.

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33.	6.149	Ministry of Agriculture and Irrigation (Department of Rural Development)	<p>The Committee view with concern the fact that of the total of 17.879 irrigation schemes approved under the Drought Prone Areas Programme during the Fourth Plan, as many as 1955 schemes were left incomplete at the close of the Plan for a variety of reasons. Some of the difficulties adduced by the Department like delay in technical and administrative clearance of different schemes, non-availability of agencies for execution of works, etc. could have been anticipated and minimised, by better planning and coordination at different levels.</p>
34.	6.150	-do-	<p>The Committee also find that while the expenditure incurred on irrigation schemes (Rs. 46.93 crores) under the Drought Prone Areas Programme during the Fourth Plan was as high as 80 per cent of the financial outlay of Rs. 58.65 crores, the achievement in physical terms (163, 964 hectares) was only 42 per cent of the target of 388,654 hectares. The Committee emphasise that causes of excessive expenditure as compared with physical achievements should be analysed in depth and remedial measures taken early to correlate expenditure to expected physical performance and resultant benefits in the field.</p>
35.	6.151	-do-	<p>Among the Districts covered under the Drought Prone Areas Programme, where the progress of irrigation schemes has not been satisfactory, Purulia district of West Bengal deserves mention. During the Fourth Plan, schemes of irrigation and afforestation subject to a maximum expenditure of</p>

Rs. 274.29 lakhs were sanctioned but the expenditure reported was only Rs. 169.67 lakhs. The Committee recommend that concerted efforts should be made to implement the irrigation schemes as per time schedule so as to alleviate the difficulties of the people in this drought prone area in West Bengal.

36.

6.152

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The Committee find that as against the target of 1704 schemes for building 9872 kms. of roads in 10 States at a cost of Rs. 27.29 crores, 1464 schemes were completed by building 8836 kms. of roads at a cost of Rs. 22.89 crores. Audit have pointed out that in some States the expenditure on road works was incurred on the improvement of existing roads, *kucha* or otherwise, although under the project only construction of new all-weather roads to open up inaccessible areas was contemplated. It was explained to the Committee that execution of road schemes was affected partially due to stoppage of funds for road schemes in July 1973 on account of budgetary constraints. The States were, however, informed that incomplete roads might be completed from the normal State Plan resources. The Committee would like to know whether the road works which were left incomplete at the end of the Fourth Plan have since been completed. They would also like to know how much of the amount of Rs. 22.89 crores has been spent on the construction of new roads and how much on the improvement of existing ones and the rationale therefor.

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37.

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The Committee find that during the Fourth Plan Rs. 7.22 crores were spent on forest schemes in 13 States under the Drought Prone Areas Pro-

gramme. This comes to only 7.5 per cent of the total expenditure on various sectors of the Programme. The Committee are inclined to agree with the views of the Task Force on Integrated Rural Development as contained in their Report (1973) that forests could play an important part in restoring ecological balance in drought prone areas. The Committee, therefore, recommend that more resources may be allocated to this sector of the programme.

38.

6154 Ministry of Agriculture and Irrigation (Department of Rural Development).

The Committee note that during the Fourth Plan, schemes costing Rs. 6.8 crores for 53,344 hectares of minor irrigation, 84,016 hectares of soil conservation, 5,761 hectares of afforestation, 2,062 kms. of roads and drinking water for 39 villages were approved for Rayalaseema region which comprises Kurnool, Cuddapah, Anantpur and Chittoor districts of Andhra Pradesh which are subject to drought conditions on account of erratic rainfall. The Committee have been informed that by the end of the Fourth Plan, minor irrigation for 30,619 hectares, soil conservation for 64,789 hectares, afforestation for 3,247 hectares, 1209 kms. of roads and drinking water supply for 38 villages was achieved. Expenditure on these scheme was Rs. 6.43 crores. The Committee, however, are not impressed by the pace of development in the Rayalaseema area and at the present rate of investment it might take many more years for people of this region to catch up with the rest of the State. The Committee would emphasise the importance of integral approach to the development of the area so that the

resources on the various schemes and projects operating in the region are deployed to the best advantage of the region.

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A serious shortcoming of the Drought Prone Areas Programme in implementation has been noticed by the Committee. The Committee were informed during evidence that Government had estimated that for every crore of rupees spent on this programme, there would be 30,000 employees in a whole season in a year. During the Fourth Plan while the expenditure was more than Rs. 92 crores, the generation of employment was to the extent of 1505 lakh mandays only. The representative of the Department of Rural Development admitted during evidence that figures of generation of employment were unverified muster roll figures and these "can deceive even the man on the spot". The Committee feel that having spent more than Rs. 92 crores during the Fourth Plan, Government of India should have arranged for compilation of authentic data on employment generated as a result of implementation of the Drought Prone Areas Programme especially when the Programme as originally conceived was meant to relieve the acute unemployment and under-employment in rural areas.

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Yet another drawback of the Drought Prone Areas Programme was that it lacked an effective inbuilt system of monitoring coordination and evaluation. It is true that in 1970, a Central Coordination Committee for Rural Development and Employment was constituted in the Planning Commission with Member (Agriculture) of the Commission as its Chairman, Cabinet Secretary as its Vice-Chairman and Secretaries of the Department of Agriculture, Ministry of Finance (Department of Expenditure) and Plan-

ning Commission as its Members. In the Resolution constituting that Committee it was provided that the Committee will concern itself with the 'formulation and review of the progress' of the non-plan project for integrated rural works programme in chronically drought affected areas. In May, 1975 a Working Group was constituted for formulation of suitable monitoring system for the Drought Prone Areas Programme during the Fifth Plan. The Working Group is stated to have evolved certain proforma for monthly and quarterly reports on progress of the programme in financial and physical terms. During evidence, the Committee were, however, distressed to learn from the representative of the Ministry of Agriculture and Development that the Coordination Committee's reviews were not "detailed review of physical achievements as such". As far as the Ministry of Agriculture and Irrigation were concerned, all that they apparently did was to get progress reports from various Departments.

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Ministry of Agriculture and Irrigation (Department of Rural Development)

From the detailed examination of the various aspects of the planning, implementation and achievements of the Drought Prone Areas Programme discussed in the foregoing paragraph, the Committee cannot but conclude that while more than Rs. 92 crores were spent on this programme during the Fourth Plan, the monitoring of the programme was, to say the least, inadequate. No serious attempt seems to have been made to quantify the achievements of the programme in physical terms and its impact on the people of Drought Prone Areas. The Committee have, however, been

assured that as the Programme was being continued during the Fifth Five Year Plan with a tentative outlay of Rs. 187 crores, efforts were being made to improve system of planning, management, financial control, monitoring and concurrent evaluation of the Programme by issuing guidelines, ensuring uniformity in the system of preparation of project report, holding of regional meetings with the representatives of State Governments, setting up of planning cells, district level bodies, coordination bodies in States, emphasises on development of action-oriented research, training of field staff, shelf of schemes, etc. The Committee would like that detailed instructions in this regard should be laid down for the guidance of all concerned and there should be conclusive follow up to see that these are implemented in letter and spirit so that the objectives underlying the schemes are achieved.

42. 6'181 Ministry of Agriculture and Irrigation (Department of Agriculture)

The Committee note that a Crash Programme known as the "Drought Relief Production Programme" was launched in September-October 1973 to augment irrigation facilities in 14 drought-affected districts of Uttar Pradesh. The entire outlay of Rs. 9.47 crores on this Programme was to be met by the Government of India by way of long-term loan. The programme envisaged an additional area of 1.34 lakh acres being brought under irrigation by March 1974. The Committee, however, find that while the 14 drought-affected districts of Uttar Pradesh had a total irrigated area of 6.71 lakh acres, but after implementation of Drought Relief Production Programme the total irrigated area, instead of increasing, decreased to 5.25 lakh acres in 1973-74 and to 6.42 lakh acres in 1974-75. They also find that despite fixing of district-wise physical and financial targets, setting up a Drought Relief Committee at the State level for efficient supervision of works and

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monitoring of progress of works by a control section at the departmental level, the target of bringing an additional area of 1.34 lakh acres under irrigation by March, 1974 could not be achieved. In fact, the additional area that has actually been brought under irrigation even till 1977 works out to 0.75 lakhs acres only. The Committee recommend that causes of dismal failure of this Crash Programme which was meant to relieve the distress of the people caused by serious drought reported in the State of Uttar Pradesh in June-July, 1973, should be probed and concerted efforts made even at this stage to fulfil the programme targets. The Committee would suggest that Government of India should keep a close watch on the pace of implementation of all programmes the outlay on which is met wholly or substantially by Government of India even if these are executed by State Governments.

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43.

6.202 Ministry of Agriculture and Irrigation (Deptts. of Rural Development and Irrigation).

The Committee are distressed to find that though floods have been occurring year after year in certain States, viz. Bihar, U.P., West Bengal, Haryana, Rajasthan, Madhya Pradesh, Kerala and taking a heavy toll of life besides causing extensive damage to crops, no long-term plan to avert such floods has been evolved so far. The flood control measures that have been initiated by the States much susceptible to floods have only touched the periphery of the problem and precious little seems to have been done to implement in a coordinated manner, the National Programme of Flood Control which was initiated as far back as 1954. Huge investments have

been made to prevent floods, but the menace persists despite protective measures taken in a disjointed and incoherent manner by the States principally in the Ganga basin. According to the Fourth Plan document, nearly 5.9 million hectares of land, usually subjected to flood damage, had been afforded reasonable protection at the beginning of the Plan. The Draft Fifth Five Year Plan (1974—79) records that the expenditure on flood control in the first three years of the Plan was likely to be of the order of Rs. 177.69 crores. For the next two years (1977—79), an outlay of Rs. 167.79 crores has been indicated. The programme envisaged important schemes such as the Patna City Protection Works, flood protection works in North Bihar and U.P., flood control and drainage works in Jammu and Kashmir, drainage works in Punjab, improvement of lower Damodar system in West Bengal and flood protection works in North Bengal. The programme also covers the flood control works in the Brahmaputra valley for which provision has been made in the Central sector. The Centre is also assisting in sharing the cost of flood control component of the Rengali dam in Orissa and anti-sea erosion works in Kerala.

While the Committee appreciate the efforts of individual States to control floods, they would like that the Ministry should formulate an integrated time-bound programme of action on a national scale which should take care of such aspects as flood control, drainage, anti-water logging and irrigation. The present practice of formulating piecemeal scheme in desperate hurry after the actual onset of the natural calamity may serve the immediate needs of the situation but can hardly be a long term solution to the problem of recurrent flood havoc. In this context, the Committee wel-

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come the recent constitution of a National Flood Commission by Government to review the flood control works carried out so far in the country and also evolve a coordinated, integrated and scientific approach to the flood control problem.

44 6 203 Ministry of Agriculture and Irrigation (Departments of Rural Development and Irrigation)

The Committee note that at their sitting held in 1970 the Central Flood Control Board had recommended that all States having flood problems may prepare comprehensive plans for flood control and drainage expeditiously and work out a phased annual programme so that at least 50 per cent of the flood affected areas were adequately protected by 1980. In pursuance of this recommendation, Government of Uttar Pradesh prepared in April, 1973 a Master Plan involving an outlay of Rs. 153 crores by 1980, of which Rs. 111 crores were to be on new schemes. In July, 1973, the Ganga Flood Control Commission set up by the Government of India in 1972 prepared an 'Outline Plan' for flood control in the Ganga Basin covering the States of Bihar, U.P., West Bengal, Haryana, Rajasthan and Madhya Pradesh and involving an outlay of Rs. 1043 crores. The State Governments concerned were to draw up comprehensive plans based on that Outline Plan. In May, 1975, the State Government of U.P. prepared another Master Plan for flood control and drainage schemes estimated to cost Rs. 300 crores. This was designed to give relief to 18 lakh hectares of flood-affected areas in normal year and 52 lakh hectares in a year of heavy floods. This plan, the Committee have been informed, is still to be discussed and approved by

the State Flood Control Board before being submitted to the Central Government for scrutiny by the Ganga Flood Control Commission and the Planning Commission.

In a note furnished by the Ministry of Finance on 25 April, 1977, the Committee have been informed that work on preparation of Master Plans by the States of West Bengal and Haryana is in progress. As regards Rajasthan it has been stated that no Master Plan had been received by Central Government. Meanwhile it has been decided that based on the aforesaid Outline Plan, Ganga Flood Control Commission should take up the preparation of a Comprehensive Plan of the Ganga Basin as a whole. The Committee hope that the plans to be drawn up by the Ganga Flood Control Commission would be within the framework of the national plan to be evolved by the National Flood Control Commission. The Committee would like to be apprised of the progress made in this direction.

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