

ESTIMATES COMMITTEE

(1973-74)

(FIFTH LOK SABHA)

FORTY-NINTH REPORT

MINISTRY OF AGRICULTURE
(DEPARTMENT OF AGRICULTURE)

[Action taken by Government on the recommendations contained in the Thirty-sixth Report of the Estimates Committee (Fifth Lok Sabha) on the Ministry of Agriculture (Department of Agriculture)—Special Programmes for Weaker Sections and Employment]



**LOK SABHA SECRETARIAT
NEW DELHI**

February, 1973/Magha, 1895 (Saka)

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(1973-74)

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COMMITTEE
(1973-74)

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13. Shri P. A. Saminathan
14. Shri Awdesch Chandra Singh
15. Shri M. G. Uikey

INTRODUCTION

I, the Chairman of the Estimates Committee, having been authorised by the Committee, present this 49th Report of the Estimates Committee on action taken by Government on the recommendations contained in the 36th Report of the Estimates Committee (Fifth Lok Sabha) on the Ministry of Agriculture (Department of Agriculture)—Special Programmes for Weaker Sections and Employment.

2. The 36th Report of the Estimates Committee (Fifth Lok Sabha) was presented to the Lok Sabha on the 10th April, 1973. Government furnished their replies indicating action taken or proposed to be taken on the recommendations contained in the Report on the 9th July, 27th October and 9th November, 1973. The replies were examined by Study Group 'F' of the Estimates Committee (1973-74) at their sitting held on 13th December, 1973.

3. The draft Report was adopted by the Estimates Committee (1973-74) on the 24th December, 1973.

4. The Report has been divided into the following Chapters:—

- I. Report;
- II. Recommendations which have been accepted by the Government;
- III. Recommendations which the Committee do not desire to pursue in view of the Government's reply;
- IV. Recommendations in respect of which replies of Government have not been accepted by the Committee;
- V. Recommendations in respect of which final replies of Government are still awaited.

5. An analysis of the action taken by the Government on the recommendations contained in the 36th Report of the Estimates Committee (Fifth Lok Sabha) is given in Appendix. It would be observed therefrom that out of 135 recommendations made in the Report, 122 recommendations i.e., 90.4 per cent have been accepted

by Government. The Committee do not desire to pursue 11 recommendations i.e., 8.1 per cent in view of the Government's reply. Final replies of Government to 2 recommendations, i.e., 1.5 per cent have not yet been furnished to the Committee.

R. K. SINHA,
Chairman,
Estimates Committee.

NEW DELHI;
February 16, 1974.

Magha 27, 1895 (Saka).

CHAPTER I

REPORT

The Estimates Committee are glad to note that the recommendations contained in their Thirty-Sixth Report (Fifth Lok Sabha) on the Ministry of Agriculture (Department of Agriculture)—Special Programmes for Weaker Sections and Employment have been generally accepted by Government. The Committee would, however, emphasise that they attach the greatest importance to the implementation of the recommendations accepted by the Government. They would, therefore, like the Government to keep a close watch so as to ensure expeditious implementation of the recommendations accepted by them. In cases where it is not possible to implement the recommendations for any reason, the matter should be reported to the Committee with reasons for non-implementation.

2. The Committee desire that the final replies to the recommendations included in Chapter V and further information where called for in respect of recommendations included in Chapters II and III may be intimated to the Committee expeditiously.

CHAPTER II

RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation (Sl. No. 1, Para 1.17)

The Committee note that the number of small holdings of 2 hectares and less comprises 62 per cent of the total number of agricultural holdings but the area cultivated is less than 20 per cent of the total cultivated area. Thus, the numerically strong but economically weak section of the rural community consists of small farmers with less than 2 hectares. Agricultural workers form 69.5 per cent of the total number of workers, out of which 16.7 per cent comprise landless agricultural workers.

Reply of Government

No comments.

File No. 28-1/73-Agri. Cr.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (Sl. No. 2, Para 1.18)

The Committee further note that the dramatic success of the new agricultural technology has widened the gap between the rich farmers with access to inputs and services and the weaker section of small farmers. The approach to the problem of small but potentially viable farmers should consist not so much in developing a different technology as in providing them with the resources to participate in the available technology.

Reply of Government

This approach is being followed in the SFDA/MFAL projects presently under implementation.

File No. 28-1/73-Agri. Cr.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (Sl. No. 3, Para 1.19)

The Committee also note that Government have attached very high priority in the Fourth Plan and in the annual plans and budgets to measures specifically designed to enable the Weaker Sections of the rural population to participate in the benefits of economic growth in the rural sector. The principal objective is that employment and income opportunities for the rural poor and the productive potential of the economically weak farmer should be significantly increased.

Reply of Government

No comments.

File No. 28-1/73-Agri. Cr.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (Sl. No. 4, Para 1.20)

The Committee note that both SFDA AND MFAL agencies are required to identify the participants within the parameters laid down in this regard with a view to ensure that benefit of the activities both developmental and financial go to them only. The Committee cannot too strongly stress that every care should be taken to see that only those farmers, who are small and for whom the scheme is designed, get the developmental and other financial benefits.

Reply of Government

The Ministry has already issued elaborate instructions to the State Governments|Union Territory Administrations and the Agencies emphasising upon them the importance of proper identification of participants and the need for exercising utmost care and precaution in the identification work. This has further been emphasised in a D.O. letter issued recently from Secretary (Agri.) to the Chief Secretaries of all State Governments|Union Territory Administrations and copies have been endorsed to the Agriculture Production Commissioners|Secretaries (Agriculture) for necessary action.

File No. 28-1/73-Agri. Cr.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (Sl. No. 5, Para 1.21)

The Committee understand that under the Scheme of Small Farmers Development Agency the emphasis is on improved and intensive agriculture and the limit of 1 to 3 hectares of land holdings has generally been adopted in identifying such farmers. The marginal farmers on the other hand are those below this level whose agriculture can be improved but who would rely on mixed farming with subsidiary occupation like dairy, poultry and off-season employment for raising their standard of living. The Scheme of Marginal Farmers and Agricultural Labourers Agency is intended to take care of marginal farmers and agricultural labourers. The agricultural labourers have been defined as those having a homestead and deriving more than 50 per cent of their income from agricultural wages.

Reply of Government

No comments.

File No. 27-1|73-Agri. Cr.

[Ministry of Agriculture (Department of Agriculture) O.M. No.
2-2|73-Budget dated 27-10-1973].

Recommendation (Sl. No. 6, Para 1.22)

The Committee further note that SFDA|MFAL agencies are in position in 87 project areas all over India (46 SFDA's and 41 MFALs). All except 3 of the 46 SFDA projects were sanctioned during 1970-71 and it was only in 1971-72 that the progress under the various programmes picked up.

In the case of MFALs, the sanctions were completed in 1971-72. Upto the 31st October, 1972 various SFDA's have identified 20.93 lakh participants which include 4.89 lakh marginal farmers and agricultural labourers.

Reply of Government

No comments.

File No. 27-1|73-Agri. Cr.

[Ministry of Agriculture (Department of Agriculture) O.M. No.
2-2|73-Budget dated 27-10-1973].

Recommendation (Sl. No. 7, Para 1.23)

The Committee would like Government to review the two schemes in the context of the actual experience gained in the implementation

of the projects most of which were sanctioned in 1970-71 and 1971-72. The Committee would like Government to bring about the necessary improvement in the schemes to achieve the objective of helping the small farmer and marginal farmer and agricultural labour to break the shackles of poverty. The Committee trust that after making an objective assessment of the working of these schemes Government will consider their expansion to other areas in the country to provide coverage to the weaker sections of the society within the shortest possible time.

Reply of Government

A review of the working of the SFDA/MFAL schemes is periodically undertaken by a Sanctioning Committee in the Ministry consisting of representatives from Planning Commission, Ministry of Finance and officers concerned from other departments/organisations besides those from the Department of Agriculture. Besides this, the Central Coordination Committee on Rural Development and Employment, set up by the Planning Commission, also reviews the progress of the two schemes and suggests measures to bring about necessary improvements in the scheme. The Officers of this Ministry also undertake periodical field visits to the Agency areas and offer on the spot guidance to the Project authorities and other departmental organisations concerned with the implementation of these schemes. The recommendation of the Estimates Committee for expansion of the scheme would be taken into consideration while finalising the Fifth Plan proposals.

File No. 28-1/73-Agi. Cr.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973]

Comments of the Committee

The Committee note that the National Commission on Agriculture have also recommended in their Interim Report on Reorientation of programmes of Small Farmers' Marginal Farmers and Agricultural Labourers Development Agencies that these programmes should be extended during the Fifth Plan to cover 160 projects including the existing 87. The Commission have also recommended that in extending the programme, emphasis should be on the selection of areas having fairly assured rainfall. The Committee trust that Government will take expeditious action to extend the scheme to new areas during the Fifth Plan Period and bring about such charges and modifications as are considered necessary.

Recommendation (S. No. 10, Para 1.34)

The Committee note that the progress of consolidation of holdings is not uniform in all the States. While in some States like Punjab and Haryana, the progress is appreciable, in other States like Andhra Pradesh Bihar, Mysore, Jammu and Kashmir, the progress is negligible. The Committee need hardly stress that consolidation operations should be accorded a high priority. The Central Government should take up the issue of consolidation of holdings with the State Governments at the highest level and impress upon them the desirability of completing the work of consolidation of holdings expeditiously so that whatever harm has been done through fragmentation of land may be mitigated through curative measures of consolidation of holdings.

Reply of Government

Consolidation of land holdings is being given an increasingly important place in our agricultural planning. The State Governments have been urged repeatedly to implement the programme of consolidation as effectively and as expeditiously as is possible under the circumstances.

Deptt. of Agri. No. 11-35/73-LRD dt. 22-9-73.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-73].

Recommendation (S. No. 11, Para 1.35)

The Central Government should also undertake periodically in future evaluation of work done in respect of consolidation of holdings in each State to assess the actual progress made in this regard and advise the States about concrete measures which could be taken to accelerate the process of consolidation in the interest of having viable farms.

Reply of Government

Evaluation of consolidation is done by the Planning Commission from time to time and necessary advice rendered to the State Governments. However, the suggestion is being noted for necessary action.

Deptt. of Agri. No. 11-35/73-LRD dt. 22-9-73.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 12, Para 1.51)

The Committee note that 87 SFDA|MFAL projects have been established in the country. Under the scheme the SFDA|MFAL Agencies are to act as catalysts activising the existing institutions, providing support for them and creating new organisations wherever necessary to cater to the participants. The Agencies can also undertake directly such activities as promote the economic interest of the participants like setting up infrastructural facilities.

Reply of Government

No Comments.

File No. 28-1|73-Agri. Cr.

[Ministry of Agriculture (Department of Agriculture) O. M. No. 2-2|73-Budget dated 27-10-1973].

Recommendation (S. No. 13, Para 1.52)

The Committee further note that the State Government are expected to provide these Agencies with requisite staff support in the technical departments and blocks, provide infrastructural requirements and strengthen cooperative credit institutions under their normal plan schemes and provisions.

Reply of Government

No comments.

File No. 28-1|73-Agri. Cr.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2|73-Budget dated 27-10-73].

Recommendation (S. No. 14, Para 1.53)

The Committee trust the State Governments will ensure that necessary staff support and infrastructural facilities are provided to these agencies so that they are able to perform the role assigned to them satisfactorily. The Committee also hope that State Plan Programmes and Agencies' programme activities are dovetailed to form an integrated scheme of economic development.

Reply of Government

The recommendation has been communicated to the State Governments|Union Territory Administrations for necessary action.

During the discussions on the Fifth Five Year Plan, it was ensured that the State Governments|Union Territories did make provision for necessary staff support and infra-structural facilities for the ongoing projects.

File No. 28-1|73-Agri. Cr.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-73].

Recommendation (S. No. 15, Para 1.54)

It has been stated that these projects though mentioned for the Fourth Five Year Plan will continue in the Fifth Plan and complete their five year period within the plan period. The view now is that the programmes for small and marginal farmers and agricultural labourers not only will continue under these agencies, but will be expanded. These will be strengthened and more resources would be made available. The amount of Rupees 103 crores allocated for these projects during the Fourth Plan period will be spent by the end of the fifth year of these projects.

Reply of Government

No comments.

File No. 28-1|73-Agri. Cr.

Comments of the Committee

The Committee may be informed about the proposed expansion of the programme during the Fifth Five Year Plan.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-73].

Recommendation (S. No. 16, Para 1.55)

The Committee also note that it has been decided to make provision in the Fifth Plan for the programme for the weaker sections including small and marginal farmers.

Reply of Government

No comments.

File No. 28-1|73-Agri. Cr.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-73].

Recommendation (S. No. 17, Para 1.56)

The Committee trust that sufficient funds will be provided for these schemes in the fifth Plan in order to continue them uninterruptedly till successful achievement of objective.

Reply of Government

The matter is still under consideration of the Planning Commission and tentatively, an outlay of Rs. 200 crores has been visualised for the programmes of small and marginal farmers in the Fifth Five Year Plan.

Planning Commission u.o. No. 1901143/73-A&RD dated 29-8-73.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 18, Para 1.57)

The Committee further note that Government are not, for the present, in favour of merger of SFDA|MFAL agencies into a single agency, as in the opinion of Government SFDA was credit oriented while MFAL was essentially market oriented. The Committee, however, feel that with the completion of five years of the project, enough experience would be gained in the working of these schemes. Government may, therefore, undertake timely evaluation of these schemes to assess whether these should continue to be implemented separately or their integration into a single scheme would be desirable to achieve better results. This evaluation should, in particular, help Government to decide the best set up for extension of the Scheme to other areas to cover small farmers, marginal farmers and agricultural labour.

Reply of Government

The recommendation will be taken into consideration while finalising the Fifth Plan proposals for expansion of the SFDA|MFAL programmes to the new areas.

File No. 28-1/72-Agri. Cr.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Comments of the Committee

The Committee note that the National Commission on Agriculture have recommended in their interim Report on Reorientation

of programmes of Small Farmers', Marginal Farmers' and Agricultural Labourers' Development Agencies that the distinction between Small Farmers' Development Agency (SFDA) and Marginal Farmers and Agricultural Labourers' Agency (MFAL) should be abolished. In all the programmes under these Agencies a compact area approach has been recommended by the Commission. The Committee trust that while finalising the Fifth Plan Proposals, Government will take note of this recommendation of the National Commission on Agriculture.

Recommendation (S. No. 19, Para 1.58)

The Committee note that SFDA programme is not just area development. There is a particular focus on the development of participant small farmers. While SFDA is credit oriented MFAL is more market based. The MFAL projects have a small component of rural works which is intended to provide wage employment primarily to agricultural labourers and small marginal farmers during off-season. The Committee further note that MFAL Agencies provided employment to 2664 agricultural labourers and marginal farmers during the year 1971-72. The Ministry of Agriculture have stated that the Agro-Economic Research Centres have undertaken a study in few SFDA/MFAL Projects to assess the quantum of employment generation and their report is awaited.

Reply of Government

No comments.

File No. 28-1/73-Agri. Cr.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 20, Para 1.59)

The Committee would like Government to carefully analyse the data brought out by these studies in order to make sure that the benefit is going in fact to the agricultural labourers and smaller marginal farmers and that the work done forms part of the integrated effort to increase the output and is in fact contributing towards it and that in general the benefit derived is commensurate with the expenditure incurred. The Committee need hardly stress that where modifications are necessary these would be effected without delay in the interest of successful implementation of the programme.

Reply of Government

This is accepted.

File No. 28-1/73-Agri. Cr.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 21, Para 1.60)

The Committee also hope that as the implementation of these programmes is entrusted to the respective State Governments, steps will be taken to achieve necessary coordination between the Centre and States.

Reply of Government

Coordination is effected during Annual State Plan discussions and visits and discussions with the State Officers.

File No. 28-1/73-Agri. Cr.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 22, Para 1.61)

The Committee are convinced that in order to derive maximum benefit from developmental effort it is essential that there should be integrated planning. This has got to start from the grass root, viz., the village level. The Committee would therefore urge the Government that the concept of planning, taking village as a basic unit, should be given concrete shape in the Fifth Plan, particularly in respect of areas which are inhabited by small farmers, marginal farmers or agricultural labour. It is obvious that however great an effort may be made to improve agricultural production, it would not be possible to make the economy of the weak section of our community viable purely on the basis of agricultural production; their income has essentially to be supplemented by industrial activity however small in scale or agro-based it may be for which necessary infrastructure is essential.

Reply of Government

The Government is in full agreement with the recommendations.

File No. 28-1/73-Agri. Cr.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 23, Para 1.62)

The Committee also feel that the type of planning envisaged by them cannot be achieved without laying down guidelines and extending technical and other assistance in the formative period so as to prepare meaningful reliable blueprints of growth. The Committee need hardly point out that in preparing the blueprint, special attention should be paid to the lot of small and marginal farmers and agricultural labour and concrete measures should be spelt out so that they serve as a plan of action. The Committee realise that it would not be possible to implement the plan at the village level in entirety. But what the Committee are keen on is availability of reliable data at grass root level which would provide basic data to the planners to decide the strategy of development and make a selective approach taking all factors into account.

Reply of Government

The Government is in full agreement with the recommendations.

Planning Commission u.o. No. 19011|3|73-A&RD dated 29-8-73.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2|73-Budget dated 27-10-1973].

Recommendation (S. No. 24, Para 1.71)

The Committee note that S.F.D.A. can extend subsidies to individuals upto 25 per cent towards capital expenditure on minor irrigation, land improvement etc. In M.F.A.L. Agency the rate of subsidy is $33\frac{1}{3}$ per cent. The Committee further note that the subsidies are not paid in cash to the participants and these are passed through the financial institutions which give loans to the farmers.

Reply of Government

No comments.

File No. 28-1/73-Agri. Cr.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2|73-Budget dated 27-10-1973].

Recommendation (S. No. 25, Para 1.72)

The Committee further note that the commercial banks while giving loans to farmers ask for margin money upto 20 or 25 per cent of the loan amount depending upon the nature of the scheme. The

commercial banks like cooperative Institutions also receive subsidies on benefit of the participants which may cover the margin money required to be furnished by the farmers. It has been stated that it takes a farmer from 2 to 3 months to get the loan.

Reply of Government

No comments.

File No. 28-1/73-Agri. Cr.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 26, Para 1.73)

The Committee note that Government have expressed the view that the present rates of subsidy are adequate. The Committee however feel that the rates of subsidy should vary according to the nature of work to be executed and the condition of the area and the farmers etc. The Committee trust that the progress of various programmes in SFDA/MFAL projects would be kept under constant review and the rates of subsidy would be modified, if necessary, for their speedy implementation.

Reply of Government

This is already being done and the recommendation will be kept in view as and when proposals are received.

File No. 28-1/73-Agri. Cr.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 27, Para 1.74)

The Committee cannot but stress the fact that it should be ensured that the maximum benefit of the money expended goes to the farmers and that the Project Officers should through field visits exercise proper check that the subsidies granted are properly utilised by the identified beneficiaries.

Reply of Government

The Government agree with this recommendation.

File No. 28-1/73-Agri. Cr.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 28, Para 1.85)

The Committee note that 14 Intensive Cattle Development Projects out of a total of 55 projects are located in SFDA|MFAL areas. The Committee also note that in addition to Intensive Cattle Development Projects, a "Key Village Scheme" is also operating which aims at creation of improved cattle/buffalo pockets throughout the country. As many as 96 key village Blocks are in operation in 53 SFDA districts and 52 MFAL districts.

Reply of Government

No comments.

Deptt. of Agri. No. 63-1|73-LDT dated 22-9-73.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2|73-Budget dated 27-10-1973].

Recommendation (S. No. 29, Para 1.86)

As Diary Farming is one of the important programmes under SFDA|MFAL schemes Government must make concerted efforts to improve the breed of cattle and thereby increase the supply of milk. In order to achieve this objective, the Committee suggest that all SFDA|MFAL Projects should be brought under the purview of "Key Village Scheme" as early as possible.

Reply of Government

The recommendation has been communicated to the State Governments/Union Territories suggesting that facilities offered under ICDP and Key Village Schemes may be made available to the SFDA/MFAL projects. It has also been suggested that the State Governments may make efforts to locate the new ICDP/Key Village Blocks in future in the area covered by SFDA|MFAL projects as far as possible keeping in view at the same time that such new Key Village Blocks are linked with milk supply schemes.

Deptt. of Agri. No. 63-1|73-LDT dated 22.9-1973.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2|73-Budget dated 27-10-1973].

Recommendation (S. No. 30, Para 1.87)

The Committee need hardly stress that the difficulties of participants both in SFDA and MFAL projects will have to be identified in

all spheres by periodic evaluation and necessary steps taken to ensure maximum benefit accruing to them under various programmes. In particular Government must ensure that the farmers in SFDA and MFAL projects who take to dairying, are provided assured marketing facilities for sale of milk etc.

Reply of Government

The Standing Committee of the ICDP on which the representatives of the SFDA/MFAL projects would be there should be in a position to take up the development of marketing facilities with the help of major dairy projects to which the ICDP is linked. The development of marketing facilities to a large extent also depends upon the provision of infra-structural facilities such as chilling centres, transport, etc. Only with the development of such facilities will it be possible to provide assured market for sale of milk. Some of the SFDA/MFAL projects have already subsidised the non-recurring cost of the development of such infra-structural facilities in order to provide assured marketing facilities.

Deptt. of Agri. No. 63-1/73-LDT dated 22.9.1973.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 31, Para 1.88)

The Committee further note that Intensive Cattle Development projects provide credit facilities to farmers for purchase of milch animals to augment milk production. Under the SFDA/MFAL Schemes subsidies are also provided to the farmers for purchase of cattle. The Committee need hardly stress that there should be a coordinated approach for provision of credit facilities to small/marginal farmers and agricultural labourers for purchase of cattle and as such the Committee would like that the Scheme of Intensive Cattle Development in the State Sector should be implemented in close coordination with the Central Schemes of SFDA/MFAL Projects.

Reply of Government

This recommendation has been communicated to the State Governments/Union Territory Administrations. Each ICDP in the State sector has a Standing Committee which includes representatives of the Dte. of Animal Husbandry, Agriculture, Cooperation and other

allied departments. The State Governments have been requested to include a representative of the SFDA/MFAL projects in the respective ICDP Coordination Committees so that the intensive Cattle Development Scheme and the SFDA/MFAL programmes are implemented more effectively and in close coordination.

Deptt. of Agri. No. 63-1/73-LDT dated 22-9-1973.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 32, Para 1.96)

The Committee note that both under SFDA and MFAL schemes a subsidy of 25 per cent and $33\frac{1}{3}$ per cent respectively on the Capital cost is available for minor irrigation works. For community minor irrigation work the subsidy is raised to 50 per cent. The Committee also note that rigs are maintained by the respective State Governments and no assessment has been made either regarding requirement of rigs or about the tubewells to be sunk in SFDA/MFAL areas.

Reply of Government

No comments.

File No. 28-1/72-Agri. Cr.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 33, Para 1.97)

The Committee need hardly stress that minor irrigation programme must be given top-priority in all schemes meant for the farmers in the rural areas and unless this is realised and followed up with practical steps, the chances of economic betterment of the farmers through higher agricultural production are remote.

Reply of Government

Several steps have been taken and are being taken to accelerate the minor irrigation programmes.

F. 9-27/73-MIT dated 1-9-1973.

Comments of the Committee

The Committee may be apprised of the steps taken to implement the minor irrigation programmes on a priority basis.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 34, Para 1.98)

As such, the Committee recommend that the following steps may be taken by Government for the effective implementation of minor irrigation works in the rural areas of the country which are covered by SFDA|MFAL Projects:—

- (a) The necessity of maintaining adequate number of serviceable rigs for digging tubewells may be impressed upon the State Governments where the SFDA|MFAL projects are located, with a view to ensure supply of water to farmers on sustained basis.
- (b) Backward States should be provided financial help by the Central Government by way of loans and grants for the purchase of equipment necessary for minor irrigation works particularly rigs.
- (c) In each SFDA|MFAL project an assessment may be made regarding requirement of tubewells so that advance planning is done both in respect of funds and equipment.
- (d) Sinking of community tubewells for which the rate of subsidy is 50 per cent should be encouraged.
- (e) It should be ensured that minor irrigation works are of a durable nature so that the money invested on them is well-utilised for the benefit of the small and marginal farmers.

Reply of Government

- (a) Most of the State Governments have already set up drilling wings for providing custom service in drilling of tubewells and borings and deepening of dug-wells to the farmers. These wings are being considerably strengthened. The State Governments should be able to earmark ade-

quate number of serviceable rigs in the SFDA/MFAL projects.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973]

- (b) The purchase of equipment for minor irrigation works forms a normal item of the minor irrigation programme and has to be financed from the Plan resources. There is no Central sector or Centrally sponsored scheme under which loans and grants can be provided to the States for this purpose outside the State Plans. Most of the State Governments, as mentioned under item (a) above, are already taking steps to strengthen their drilling wings.
- (c) The number of tubewells that can be located in SFDA/MFAL projects would depend on the local hydro-geological conditions and the ground water plans. Most of the States have set up or are in the process of setting up the hydro-geological wings for ground water investigations. These wings could be expected to carry out investigations in the SFDA/MFAL project areas on priority basis with a view to formulating realistic proposals for ground water development tubewells, etc.
- (d) The need for sinking Community wells/tubewells is consistently being impressed upon the State Governments. Any subsidy for this purpose, however, has to be provided by the States from their own Plan resources. In the SFDA/MFAL projects, subsidy could be made available from the project funds.
- (e) The recommendation is accepted and, in fact, the Department of Agriculture has all along been discouraging taking up of temporary kachcha works under the minor irrigation programme.

No. F. 9-27/73-MIT dated 1-9-1973.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973]

Recommendation (S. No. 35, Para 1.152)

The Committee trust that expeditious action will be taken by Government to set up Farmers' Service Societies in some selected

S.F.D.A.M.F.A.L. Project areas and details about their functioning will be settled in consultation with the Reserve Bank of India, Planning Commission and the concerned State Governments. The Committee hope that after watching the results of this new experiment, Farmers' Service Societies will be set up in each of the Project areas.

Reply of Government

The scheme of farmers service societies proposed by the NCA was discussed with State Governments, R.B.I., and the concerned Departments and Ministries of the Government of India. A number of States and Union Territories have agreed in principle to set up 56 Farmers' Service Societies. The Government of Andhra Pradesh, Haryana and Rajasthan propose to set up the Societies with exclusive membership open to the class of small|marginal farmers and agricultural labourers and rural artisans. Maharashtra has proposed exclusive society for small|marginal farmers and agricultural labourers. An implementation Committee has been set up by the Government of India under the Chairmanship of Secretary (Agri.) to review the progress of implementation, coordinate the work thereon, guide the States and Union Territories and evaluate the performance of the societies. Expansion of new areas will be considered after watching the working of the new farmers' service societies.

File No. 28-1/73-Agri. Cr.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 36, Para 1.121)

The Committee take note of the fact that Agricultural Re-finance Corporation is insisting on getting security to the extent of twice the loan advanced by a Bank or State Government guarantee for reimbursement of loans advanced by the Commercial Banks. As the S.F.D.A. and M.F.A.L. Schemes are credit linked, their success is largely dependent upon the un-interrupted flow of credit from the credit institutions.

Reply of Government

Under the existing A.R.C. Act 1963, the Corporation cannot grant any financial accommodation unless it is fully and unconditionally guaranteed by the Government as to the repayment of principal and payment of interest. The Corporaiton can dispense

with the Government guarantee only if other security to the satisfaction of the Board of the Corporation is made available. The Corporation has agreed since as early as August 1964 to provide re-finance facilities to commercial banks without any insistence on Government guarantee provided they offer other security in the form of sub-mortgage or hypothecation of the assets mortgaged or hypothecated by the party to them. The A.R.C. Act is, however, being amended in order to equip the A.R.C. Board with necessary discretion to waive security so that the schemes covering small and marginal farmers and agricultural labourers could be considered for refinance by A.R.C. and the existing legal handicap is removed. The Bill has been passed by both the Houses of Parliament and this would enable the A.R.C. to provide finance in respect of schemes originating from SFDA/MFAL areas on more liberal basis.

File No. 28-1/73-Agri. Cr.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 37, Para 1.122)

As such, the Committee recommend, that the Reserve Bank of India which controls the credit institutions should examine the whole matter in depth and take such remedial measures which may be necessary for ensuring un-interrupted and easy credit flow through all the channels of credit including the cooperatives. The Committee feel that unless this is done, targets may not be achieved as programmed and the programmes might have to be rephased according to the available credit flow, thus affecting the results adversely. In the Committee's opinion it is also necessary to extend the credit guarantee scheme to the cooperative sector to facilitate easier and quicker credit flow to the small farmers.

Reply of Government

The Reserve Bank of India has been reviewing its policies with a view to providing adequate credit facilities in SFDA/MFAL areas and has already extended a number of important relaxations either generally for small and marginal farmers or specifically in SFDA/MFAL areas. These include loans from Long-term operations fund even if over dues exceed 30 per cent but not 50 per cent, liberalised share capital requirement by individuals, liberalised medium term loans to agriculturists, non-agriculturalists/agricultural labourers, etc. As regards extension of Credit Guarantee Scheme

to the Cooperative Sector the proposal is under examination of a Committee constituted under the Chairmanship of Dr. Hazari, Dy. Governor of the Reserve Bank of India.

File No. 28-1/73-Agri. Cr.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 39, Para 1.124)

The Committee note that the question of charging differential rates of interest from small and marginal farmers was being considered by Government on pilot basis. They hope that an early decision will be taken in the matter keeping in view the paying capacity of each category of farmer.

Reply of Government

The scheme of charging differential rates of interests for agricultural advances to farmers according to the size of holdings has already been introduced by 9 public sector banks. The matter is being pursued with the remaining banks. The question of charging differential interest rates on advances of cooperatives is still under consideration of the Government of India.

File No. 28-1/73-Agri. Cr.

[Ministry of Agriculture (Department of Agriculture) O. M. No. 2-2/73—Budget dated 27-10-1973]

Recommendation (S. No. 41, Para 1.126)

The Committee need hardly stress that credit oriented schemes like SFDA and MFAL Schemes cannot make any headway unless credit facilities by the banking institutions are forthcoming to the small and marginal farmers who are the beneficiaries under these schemes. As such, it is quite essential to assess from time to time whether the nationalised banks are opening new branches in the SFDA/MFAL Project areas to cater to the needs of small and marginal farmers. A close watch may be kept in this direction and if any project areas are found to be suffering on account of the fact that banking facilities are not available to the farmers the matter should be pursued at the highest level to ensure that new branches are set up in those areas.

Reply of Government

The Commercial banks are paying special attention to SFDA/

MFAL areas in branch extension and are improving upon the existing coverage. It is expected that with the activation of District Level Coordination Committees for Credit the problems could be effectively sorted out at these meetings. The recommendation has, however, been noted for guidance.

File No. 28-1/73-Agri. Cr.

[Ministry of Agriculture (Department of Agriculture) O. M. No. 2-2/73—Budget dated 27-10-1973]

Recommendation (S. No. 42, Para 1.131)

The Committee note that Rs. 5 lakhs has been provided in each SFDA/MFAL Project for Rural Artisans Programme. The Committee further note that there is a Programme for giving training to the village artisans so that they can improve their skills and after the training is over they are provided subsidy also for getting the tools and implements.

Reply of Government

No comments.

DCSSI u.o. No. 2(1)/73-RAP dt. 2-5-73.

[Ministry of Agriculture (Department of Agriculture) O. M. No. 2-2/73—Budget dated 27-10-1973]

Recommendation (S. No. 43, Para 1.132)

The Committee feel that the allocation of Rs. 5 lakhs for Rural Artisans Programme in each project is too meagre an amount to bring about any tangible results. The Committee would like Government to evaluate the progress of this programme and, if necessary, the allocation for this programme may be increased suitably for providing greater coverage during the next Plan period. The Committee also emphasise that steps should be taken to modernise the tools and implements used by village artisans so as to improve their technical skills, and increase their earning capacity.

Reply of Government

The suggestion that the allocation of Rs. 5 lakhs for Rural Artisan Programme per project is too meagre an amount to bring about any tangible results has been noted. Although the programme was started during the year 1970-71, most of SFDA/MFAL projects could get their schemes approved by the Ministry of Industrial Development only by the end of 1971-72 and during the year

1972-73. The evaluation of the progress of this programme will be taken up by the end of 1973-74 and after seeing the results, the recommendations to increase the allocation of funds for providing greater coverage as also to modernise the tools and implements used by village artisans will be considered.

DCSSI u.o. No. 2(1)/73-RAP dt. 2-5-73.

[Ministry of Agriculture (Department of Agriculture) O. M. No. 2-2/73—Budget dated 27-10-1973]

Recommendation (S. No. 44, Para 1.133)

The Committee need hardly stress that electrification of villages in SFDA/MFAL project areas will hasten the economic progress of the village artisans and improve their efficiency. As such, the villages in the project areas should be provided electricity on priority basis so that the money invested under SFDA/MFAL schemes can show some positive results.

Reply of Government

The Rural Electrification Corporation provide additive finances to State Electricity Boards for implementation of rural electrification schemes. The REC has, on 31-5-73, sanctioned 106 schemes in SFDA areas and 60 in the MFAL areas. These schemes are phased for completion in a period of 3-5 years. The need for dovetailing electrification programme with other programmes is being borne in mind. The Approach Paper for the Fifth Plan provides for supplementing the general effort for economic development by a minimum need programme for the benefit of rural population. In accordance with the guidelines issued by the Planning Commission, the target for rural electrification under this programme is to extend electricity atleast to 30-40 per cent of the rural population. This programme is expected to cover several villages in SFDA/MFAL project areas.

Ministry of Irrigation & Power letter No. 42(53)/72—P&E dt. 6th August, 1973.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73—Budget dated 27-10-1973]

Recommendation (S. No. 45, Para 1.139)

The Committee note that a centrally sponsored scheme for Rural Industries Projects Programme which was launched in 1962-63

is still in operation and 49 projects under that scheme are functioning all over India. The Committee further note that out of 49 projects 19 are such which cover the areas which were selected for SFDA/MFAL Schemes.

Reply of Government

No comments.

File No. 28-1/73-Agri. Cr.

[Ministry of Agriculture (Department of Agriculture) O. M. No. 2-2/73—Budget dated 27-10-1973]

Recommendation (S. No. 46, Para 1.140)

The Committee trust that while expanding the rural industries programme in the next Plan, special attention will be given to those projects which cover the areas where SFDA/MFAL Projects have been located. The Committee feel that the subsidies provided under SFDA/MFAL schemes can not by themselves bring about the economic betterment of the weaker sections of society unless these schemes are properly linked with other programmes of setting up small industries in the rural sectors.

Reply of Government

Five new Rural Industries Projects have already been taken up during 1971-72 which will continue to receive Central assistance up to the end of the Fifth Five Year Plan. Besides, 57 new projects to be located in backward areas have also been sanctioned for the Fifth Plan period. Of these, 62 Rural Industries Projects cover 24 districts where SFDA/MFAL schemes are in operation—13 SFDA districts and 11 MFAL districts. The sanctioning of another 38 new Rural Industries Projects for the Fifth Plan period is under consideration of the Government of India. The recommendation of the Committee to cover under these Projects such areas where SFDA/MFAL projects are located will be kept in mind while deciding the location of these additional R.I. Projects.

DCSSI u. o. No. 2(1)/73-RAP dt. 2-6-73.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 47, Para 1.141)

The Committee would also like to stress the need for setting up

small industries in the hill areas of the country where the people cannot take to agriculture on an extensive scale because of the difficulty of terrain and rocky soil.

Reply of Government

This is already being kept in view of the existing 49 Rural Industries Projects, 6 projects are located in predominantly hill areas and of the 62 new projects, 7 are also located in hill areas.

DCSSI u.o. No. 2(1)/73-RAP dt. 2-6-73.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 48, Para 1.145)

The Committee note that six Projects for Land Development are being set up in 6 States for the benefit of landless agricultural workers. The Committee further note that 32.96 thousand hectares of barren land and 39.571 thousand hectares of cultivable land is available in the whole country for land colonisation. The Committee trust that the remaining States which have not so far evinced any interest in the Scheme will be persuaded to take up similar projects in their respective States for the benefit of landless agricultural workers.

Reply of Government

The pilot projects for land development are now proposed to be taken up in 8 States in place of 6 States, originally contemplated. The question of taking up similar projects in the remaining States would be considered after the working and progress of the projects in the 8 States have been watched.

Deptt. of Agri. No. 12(55)/72 dt. 5-6-73.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 49, Para 1.146)

The Committee hope that the responsibility of reclaiming the land and provision of requisite facilities to the settlers will be discharged by Government expeditiously so that these projects can help to raise the standard of living of the landless agricultural workers.

Reply of Government

Efforts are being made to start the projects in 8 States as early as possible.

Min. of Agri. No. 12 (55) /72 dt. 5-6-73.

[Ministry of Agriculture (Department of Agriculture)
O.M. No. 2-2/73-Budget dated 27-10-1973.]

Recommendation (S. No. 50, Para 1.147)

The Committee are of the view that there is need for most careful planning to make sure that land reclaimed|developed' can sustain the new allottees, infact a sustained programme which will ensure all necessary inputs and subsidiary services to the new allottees till they are able to stand on their own is the real need of the hour.

Reply of Government

The scheme envisages all possible help and assistance being provided to the settlers upto a certain stage, by which they are likely to stand on their own.

Min. of Agri. No. 12 (55) /72-Lands
dt. 5-6-73

[Ministry of Agriculture (Department of Agriculture)
O.M. No. 2-2/73-Budget dated 27-10-1973.]

Recommendation (S. No. 51, Para 1.148)

As the MFAL Scheme also takes care of Agricultural labourers on a large scale the Committee are of the view that the two schemes should be worked in close coordination. In fact, wherever, MFAL, Agency has been set up, an attempt should be made to provide land to landless agricultral labourers through a land development project provided it is feasible and surplus land is available in the vicinity of MFAL project area.

Reply of Government

In case the land selected for the project in any State is in the vicinity of the MFAL project area, the question of working the two schemes in close coordination would be considered.

Deptt. of Agri. No. 12 (55) /72-Lands dt. 5-6-73.

[Ministry of Agriculture (Department of Agriculture) O.M. No.
2-2/73-Budget dated 27-10-1973.]

Recommendation (S. No. 52, Para 1.153)

The Committee understand that no SFDA/MFAL project has been set up to cover the hill areas of U.P.? As the hill areas are backward and the people have to face peculiar difficulties like shortage of cultivable land, higher cost of transport etc., SFDA and MFAL schemes may have to be applied to these areas with necessary modifications. The Committee trust the Government will examine the matter and set up some SFDA/MFAL projects in the hill areas of the country with certain modifications which may be necessary to suit the conditions in those areas.

Reply of Government

The recommendation will be kept in view while sanctioning the projects in the Fifth Five Year Plan.

File No. 28-1/73-agri. Cr.

[Ministry of Agriculture (Department of Agriculture)
O.M. No. 2-2/73-Budget dated 27-10-1973.]

Recommendation (S. No. 53, Para 1.154)

The Committee note that in regard to the sheep breeding programme "a beginning has been made" and much remains to be done to achieve more progress in the development of this important industry to step up wool production.

Reply of Government

A large programme of sheep and wool development has been proposed for the Fifth Five Year Plan by the Government of India.

Deptt. of Agri. No. 63-4/73-LDT dt. 31-5-73.

[Ministry of Agriculture (Department of Agriculture)
O.M. No. 2-2/73-Budget dated 27-10-1973.]

Recommendation (S. No. 54, Para 1.155)

The Committee trust the Government will provide necessary assistance and funds for setting up more sheep breeding farms in the hill regions of the country.

Reply of Government

The Fifth Plan proposals include establishment of sheep breeding farms in the hilly regions of the country also.

Deptt. of Agri. No. 63-4/73-LDT dt. 31-5-1973.

[Ministry of Agriculture (Department of Agriculture)
O.M. No. 2-2/73-Budget dated 27-10-1973.]

Recommendation (S. No. 55, Para 1.156)

The Committee are of the view that cheap transport should be provided in the hill districts for carriage of perishable fruits to the plains. But where the transport cost is high the feasibility of setting up fruit preservation centres in such hill districts where fruits are grown in plenty should be examined by Government with a view to ensure their early establishment.

Reply of Government

The question of providing cheap transport for carriage of perishable fruits of hill districts has been considered by the Working Group of Planning Commission (Hill Area Development Programme). The Fifth Five Year Plan of U.P. Government includes grant of subsidy on transport of perishable fruits from the hills to the consuming centres. As regards setting up of fruit preservation centres in the hill districts, Himachal Pradesh, J & K, U.P., Assam and Tripura have already started fruit preservation units. The question of setting up large scale fruit processing units is being considered by the Agro-Industries Corporations.

Deptt. of Food No. 10/4/72-FNBI dt. 20-8-1973.

[Ministry of Agriculture (Department of Agriculture)
O.M. No. 2-2/73-Budget dated 27-10-1973.]

Recommendation (S. No. 56, Para 2.15)

The Committee note that field implementation of schemes under Drought Prone Areas Programme is the responsibility of the respective State Governments. The Committee also noted that the programme is being implemented by various State Technical Departments concerned. In order that the different schemes under the pro-

gramme are executed smoothly, efficiently and in a coordinated manner, the state Governments may be requested to take expeditious action to set up coordination bodies both at State and district levels, to Oversee the implementation of the programme.

Reply of Government

Most of the State Governments have set up State level coordination Committees to periodically review the working of the Drought Prone Areas Programme. Such Committees have also been set up at district level in some States; and in others, coordination is being done either by the Collector who is in overall charge of the implementation of the Programme or by District Development Officer. The State Govts. have also been requested to set up coordination bodies at the district level.

F. No. 2-5/72-DPAP-Vol. II.

[Ministry of Agriculture (Department of Agriculture)
O.M. No. 2-2/73-Budget dated 27-10-1973.]

Recommendation (S. No. 57, Para 2.16)

The Committee note that the programme for drought prone areas which was taken up in 1970-71 for the first time has made some progress. The Committee, however, is seriously concerned to note that the programmes was conceived in isolation and that the operations were locationally dispersed. The committee cannot too strongly emphasis that if a long term solution is to be found to the problem of drought prone areas, development will have to be carried out on a systematic basis and as an integral part of the general developmental programme in that area. The Committee note that the Planning Commission's draft approach to the Fifth Plan 1974-79 recognise these shortcomings. The Committee cannot strongly stress that this lacuna can only be removed if detailed surveys and investigations of schemes are undertaken and these are evolved in an integrated manner at the ground level.

Reply of Government

The Drought Prone Areas Programme was earlier an employment oriented programme, comprising a series of rural works. It is accepted that for a long term solution to the problem, an integrated area development approach should be adopted in a systematic manner. In fact, a Task Force in the Planning Commission has spelt out

the strategy of integrated agricultural development of the drought prone areas. The programme in the Fifth Plan is, accordingly, intended to be largely based on the integrated area development approach. An attempt will be made to integrate the programme fully with the other on-going or proposed schemes in a district. Detailed guidelines have already been circulated to the States for formulation of projects under the programme for the Fifth Plan on the basis of the above approach.

(F. No. 2—5/72 DPAP-Vol. II).

[Ministry of Agriculture (Department of Agriculture)
O.M. No. 2-2/73-Budget dated 27-10-1973.]

Recommendation (S. No. 58, Para 2.17)

The Committee note that Government have a scheme of allowing State Governments Rs. 1 lakh per district for survey and investigation work. The Committee feel that State Government should gear up their machinery to undertake survey and investigation work on scientific basis so as to facilitate decisions being taken on *inter se* priority for implementation of schemes, their feasibility and economic return by way of development, etc. The Committee would also suggest that the Central Government should lay down guidelines and essential points which should be gone into at the time of investigation and survey. The Committee attach great importance to proper planning and survey and would like to be informed of the action taken within three months.

Reply of Government

The State Governments have been advised from time to time to carry out survey and investigation for formulation of viable and productive schemes on the basis of the available resource endowment of the selected areas. This has recently been focussed in the regional meetings held with the various States to avoid ad-hocism in the selection of works in the 5th Plan. However detailed guidelines in this regard are being issued to the State Governments.

[Ministry of Agriculture (Department of Agriculture) O.M.
No. 2-2/73-Budget dated 9-7-1973]

Recommendation (S. No. 59, Para 2.18)

The Committee note that the progress of schemes has not been even among the different States. The progress is stated to be slow in Bihar, Jammu & Kashmir, West Bengal and to a lesser extent in Madhya Pradesh and Uttar Pradesh. The Committee have, however, not been informed of the precise reasons which are holding up work in these States particularly in Bihar and West Bengal which are prone to droughts. The Committee would like Govt. to devise a Proforma by which they get periodical reports from the States authorities about the progress made. There should be an arrangement for critical review of these results as also for a visit to the site to understand and resolve the problems coming in the way of expeditious implementation of the scheme. This two-way interchange of ideas would make for realistic planning and implementation.

Reply of Government

The slow progress in the State of Bihar, Jammu & Kashmir, West Bengal, M.P. and U.P. was attributable mainly to initial organisational and procedural problems e.g. delay in appointing staff, delay in submission of schemes and their clearance. Besides, in a few cases, there were difficulties in acquiring land for schemes like irrigation and roads. Revision of the earlier proposals due to lack of technical feasibility also contributed to the delay in the implementation of the programme in these States. All these bottlenecks have now been overcome by these States.

The physical and financial progress of the programme in States is watched through a comprehensive quarterly progress report. This return gives details of the total expenditure on the various components, physical benefits of the schemes and the employment generated during that particular quarter.

In addition, the Senior Officers of the Ministry frequently visit the States to ensure the smooth implementation of the programme.

F. No. 2-5/72- DPAP-Vol. II

[Ministry of Agriculture (Department of Agriculture) O.M.
No. 2-2/73-Budget dated 27-10-1973]

Recommendation (S. No. 60, Para 2.19)

The Committee are concerned to note that no concerted effort has been made to extend dry farming technology to all the drought

prone areas. The Committee feel that problems of the drought prone areas should receive special attention of the Research Organisation so as to develop seed technology and other agricultural practices which would be best suited to the drought conditions prevailing in the areas. The committee would therefore, like this matter to be examined at the highest level between the Ministry of Agriculture and the Indian Council of Agricultural Research so as to have well co-ordinated and integrated approach not only in the matter of research but also in the matter of making this information available effectively to the farmer in the field, so that he may avail of the improved techniques instead of continuing with age-old practices of cropping.

Reply of Government

It is a fact that, due to its initial emphasis on employment orientation, the programme did not aim at large scale propagation of dry land farming technology in the Fourth Plan. However, integrated dry land farming schemes are in operation in 24 districts of the country, out of which 10 districts are also covered under D-PAP. These projects aim at linking research with development at the field level through application of latest research on the farmer's holdings. The Fifth Plan approach to the drought prone areas programme envisages a fairly large scale application of the dry land farming technology based on the experience of the integrated dry land farming projects; Department of Agriculture has initiated discussions with the ICAR to coordinate research and extension requirements needed for these areas.

F. No. 2-5/72-DPAP-Vol. II

[Ministry of Agriculture (Department of Agriculture)
O.M. No. 2-2/73-Budget dated 27-10-1973.]

Recommendation (Serial No. 61, Para 2.22)

The Committee noted that 54 per cent of the total outlay is at present earmarked for minor irrigation schemes. The Committee have not been informed of the precise success achieved in implementation of these minor irrigation schemes. They need hardly stress that the pre-requisite condition for any programme for minor irrigation is careful survey on ground water resources. The Committee would suggest that the help of the exploratory Tubewells Organisations and other similar agencies which have expertise in the field should be taken in order to locate the sites where tubewells could be sunk with advantage. Apart from sinking of tubewells it is of the utmost importance that they are kept in repair and that the

water resources are equitably made available to all concerned. The Committee would like Government to make sure that not only these tubewells are sunk but they subserve the purpose of developing agriculture on an assured basis so as to reverse periodic visitation of droughts. The Committee would stress that the progress made in this behalf should be critically reviewed at least once every quarter so that more funds within the existing resources could be diverted to schemes which are showing progress and promise.

Reply of Government

As against the total estimated cost of nearly Rs. 58.26 crores an expenditure of Rs. 32.44 crores was incurred on minor irrigation schemes under the progress till the end of 1972-73. Although complete details of the physical benefits are not available, according to the available information, an area of over 3 lakh acres has benefitted either through provision of new irrigation or stabilisation of existing command. Ground water exploitation through tubewells was included in the programme following the new approach which placed less emphasis on labour intensity of schemes. An amount of Rs. 1 lakh per district over the programme period is also allowed to States for ground water investigations. Maharashtra and Madhya Pradesh State Governments have taken advantage of this provision. The Central Ground Water Board is consulted for tubewells programmes. Such schemes have been sanctioned in Rajasthan and Gujarat. The State Ground Water authorities also generally take into account any studies/surveys made by the Central Ground Water Board in preparing the projects. However, specific instructions have also been issued to the State Governments to use any available findings of the CGWB in formulating the proposals for Ground Water exploitation. They have also been instructed to ensure that the tubewells are maintained properly and that the water resources are equitably made available to all concerned. There is sufficient flexibility in the programme permitting the States to divert funds from one sector to another in consultation with the Central Government.

File No. 2-5/72-DPAP(AI)

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 62, Para 2.23)

The Committee would like Government to pay equal attention to other resources for minor irrigation such as storage tanks, dugwells, lift irrigation from surface water resources available etc.

Reply of Government

The recommendation is entirely acceptable. As a matter of fact, the programme of irrigation from all sources is being accorded a high priority under the programme during the Fourth Plan period and will continue to have the same importance in the Fifth Plan period also.

F. No. 2-5/72-DPAP-Vol. II.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 63, Para 2.28)

The Committee have earlier in this Chapter focussed attention on the need for developing tubewells on priority basis. The Committee are concerned to note that serious difficulties are being experienced by the State Governments in the matter of getting adequate number of rigs. The Committee feel that as for some years to come there would be heavy requirement of rigs for sinking tubewells, Government should review the position in consultation with all Ministries concerned, including the Ministry of Industrial Development so that the rigs can be made available without under delay in adequate numbers and of the requisite capacity. The Committee need hardly stress that the rigs should be sturdy and well-suited to the conditions encountered in the areas so as to make progress in the shortest possible time. The Committee are also concerned to note that difficulties are also being experienced in the procurement of Road Rollers. The Committee feel that as adequate capacity has been developed in the country for manufacture of heavy machinery and diesel engines, it should not be difficult to have a well coordinated programme for manufacture of Road Rollers to meet effectively and in time the requirement for construction of roads particularly in drought prone areas.

Reply of Government

The matter is being taken up with the concerned Central Ministries for providing rigs to the States in their progress for sinking tubewells."

The question of providing Road Rollers to the States for implementation of the programme has also been taken up with the concerned Ministry, who are hopeful of meeting the requirements of State Governments in 1973-74. The State Governments have also been asked to place their indents on D. G. S. & D.

F. No. 2-5/72-DPAP-Vol. II.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 64, Para 229)

The Committee would like the Government to examine in detail the requirements for other plants and machinery like trawler, tractors etc., which are required for implementation of programme in drought prone areas so as to ensure that these plants and machinery are available in adequate quantity, quality and in good time for implementation of the programme.

Reply of Government

Every State Government is provided a grant equal to 1-1/2 per cent of the total outlay for tools and plants for works. In addition they are allowed 100 per cent loan for the purchase of equipment and machinery. The State Governments will be asked to report their total requirements of plants and machinery for implementation of the programme during the Fifth Plan Period. After hearing further action in the matter will be taken.

F. No. 2-5/72-DPAP-Vol. II.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 65, Para 2.30)

The Committee take note of the fact that some financial difficulties are being experienced by State Governments in purchasing machinery and plants for this programme. While the Committee would like Central Government to review the matter in all its aspects so as to make available adequate financial resources to the State Governments for purchasing absolutely essential plants and machinery for implementation of the programme, they would like to emphasise that the matter should be kept under careful review so as to obviate investment of scarce resources in building up inventories which may later on be found to be surplus to requirements.

Reply of Government

The State Government are allowed 1-1/2 per cent of the total outlay as grant for purchase of tools and plants; any requirement over and above this percentage is made available to the states as loan but within the overall financial ceiling. The Committee's observation will be kept in mind, and a careful analysis of requirement will be made to ensure that scarce resources are not utilised for building up inventories which may later be found surplus to requirements.

F. No. 2-5/72-DPAP-Vol. II.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 66, Para 3.14)

The Committee note that the main objective of the Scheme for Integrated Dry Land Agricultural Development is to develop and demonstrate the use of technology suitable for increasing productivity and the total production in dry areas, so that they also benefit from the break-through in agricultural practices which has already been achieved in an impressive manner in irrigated areas. It is of the utmost importance, therefore, that the technology to be encouraged should be ideally suited to the conditions obtaining in the dry areas. The Committee are greatly concerned that it is only recently that a study team has been constituted by Government to undertake study of the existing levels of dry farming technology in selected districts and critically consider them in the light of the latest knowledge and technology developed in the laboratory and research institutes. The Committee would like Government to evolve package programmes on the basis of these reports, so that these could be implemented in an integrated manner, to help the farmers in dry areas, particularly those who have small and marginal farms or work as agricultural labour with small homesteads. The Committee feel that unless the package programme is evolved with reference to ground conditions and other relevant factors, it is not realistic to expect any marked improvement from an investment of Rs. 20 crores, earmarked in the Fourth Five Year Plan for development of 24 pilot projects in 12 States.

Reply of Government

No doubt, the problems of dry land farming are location specific and as such solutions have to be found after taking into account local

conditions. The I.C.A.R. and Research Institutes of the State Governments/Agriculture Universities are engaged in evolving package of practices which are duly tried and tested in the dry farming projects before being recommended for adoption in the dry land areas for their integrated development. Well tried dry farming techniques thus developed are disseminated amongst farmers through audio-visual aids, radio, demonstrations training and observation of field days. This is a continuing programme and is proposed to be continued in the Fifth Plan as spill over from the Fourth Plan.

Under the scheme, generally emphasis is laid on providing various incentives to the farmers having holdings of 10 acres or less.

The scheme of Integrated Dry Land Agricultural Development was sanctioned in June 1970, 9 projects were established in late 1970-71, and additional 15 projects came into being late in 1971-72. The study team on dry land farming was constituted in December 1971 and as such it will be seen that the constitution of study team was not late.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 67, Para 3.15)

The Committee are perturbed to note that though the projects were sanctioned in 1970-71 and 1971-72 the Annual Reports have not been compiled so far, to enable a critical evaluation being made of the progress achieved in the field. The Committee would urge Government to finalise the proforma for calling annual returns without further delay so that meaningful data could be collected and critically analysed in order to identify factors impeding progress and taking suitable remedial measures to overcome them.

Reply of Government

The proforma for furnishing the annual progress reports of the projects has since been finalised by the Government of India and the concerned State Governments have been requested to prepare the annual report of each project from its inception. The data collected and reported by various projects will be utilized for evaluating the progress made. Various problems and factors impeding the progress of these projects are already being identified by visits to the project, through zonal meetings, etc., and also on the basis of

the monthly progress reports being received. Adequate steps are then taken to remove the various bottlenecks encountered in the successful implementation of the projects.

F. No. 13(52)/72-CUIII (Vol. II).

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 68, Para 3.16)

In view of the fact that the Scheme is entirely new in concept and technology it is of the utmost importance that it receives the constant attention of those who are responsible for giving directions, so that shortcomings or difficulties are brought to notice contemporaneously and solutions found without delay.

Reply of Government

In order to draw detailed action programme and its implementation, there are project level coordination committees. Besides, there are district and State level coordination committees so as to provide proper guidance and coordination from other Departments. As already stated under recommendation No. 43.15 that the problems and bottlenecks experienced in the implementation of these projects are identified and steps are taken to rectify these shortcomings.

F. No. 13(52)/72-CUIII (Vol. II).

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 69, Para 3.17)

The Committee are concerned to note that apart from late start of the scheme, non-availability of loan components, non-availability of transport for proper coordination and supervision, delays in appointment of the staff, much progress could neither be made nor the entire areas as envisaged covered under the programme.

Reply of Government

Under the scheme, the long/medium-term loan components were provided only during the first year of the implementation of the scheme. From the second year onwards, the long/medium-term loans were to be arranged by the State Governments through institutional sources but these areas being more risk prone, the banks

did not come forward to provide loans. The Government, therefore, agreed to provide long/medium-term loans for the Fourth Plan period except in case of Gujarat and Haryana who undertook to arrange the loans component themselves through institutional sources.

The State Governments could not get jeeps because of their short supply. The Government of India arranged the supply of the jeeps on priority basis and all the 24 projects are now equipped with transport facilities.

There have been some delays in the appointment of project staff and as such the matter was taken up with the State Governments who have since been appointed the requisite staff.

F. No. 13(52)/72-CUIII (Vol. II).

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 70, Para 3.18)

The Committee regret that no advance planning for providing the requisite staff and all other infra-structural facilities was done. They hope that expeditious action will now be taken by Government to remove these deficiencies so that the targetted coverage of areas in each project during Fourth Plan period as also in the Fifth Plan period are realized.

Reply of Government

The scheme of Integrated Dry Land Agricultural Development was started in 1970-71 and as such 9 projects were sanctioned in 9 States in the same year. No advance action with regard to providing staff and infra-structural facilities could be taken for these projects. However, for most of the additional projects which were taken up in 1971-72, the Government of India authorised the concerned State Governments in 1970-71 itself to take advance action in selection of site, purchase of survey equipments, appointment of staff, etc.

The State Governments were requested to achieve the targetted coverage of areas for each project and it is hoped that same will be generally realized by the end of Fourth Plan period. As already

stated under reply 3.14, the scheme will continue in the Fifth Plan as spill over from the Fourth Plan and as such the existing projects are likely to continue for a couple of years more. As soon as the financial position about the scheme is decided the State Governments will be advised to take advance action so that the targetted areas is covered under various programmes.

F. No. 13(52)/72-CUIII (Vol. II).

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 71, Para 3.19)

The Committee would also suggest that periodic evaluation of the Scheme should be undertaken by Government for proper assessment of its working and impact and to take suitable remedial action in the light of deficiencies noticed.

Reply of Government

The periodical progress reports comprising of monthly, half-yearly and annual reports of the projects are being received from the concerned State Governments. These reports are reviewed by the concerned technical/administrative officers regularly and steps are taken to solve any problem/bottleneck coming in the way of the smooth functioning of the programme. The Central Government representative also participates in the State Level Coordination Committee meetings which review the working of the projects in the State and provide necessary guidance and remedies. The progress and problems of various projects were reviewed and evaluated in zonal meetings held in 1972-73 and at the workshops and seminars held by I.C.A.R. from time to time. The Central and State Officers undertake intensive field visits, meeting the field staff and farmers and try to identify the problems and provide guidance and the solutions on the spot if possible. The Central Teams comprising of senior officers also review the progress.

F. No. 13(52)/72-CUIII (Vol. II).

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 72, Para 3.20)

The Committee note that under the scheme of Integrated Dry Land Agricultural Development, the assistance for soil conservation

and land development works is 75 per cent loan and 25 per cent grant. The Committee also note that some State Governments give higher subsidy for identical works of soil conservation and land development under their own schemes. The subsidies given by State Governments for Irrigation Programme and Animal Husbandry Programme are also stated to be higher than the subsidies provided under the present scheme. It is also stated that these differential rates of subsidy have retarded the progress of various programmes in the dry areas.

Reply of Government

The assistance provided under the scheme of Integrated Dry Land Agricultural Development is generally more liberal or at part with that of the assistance given by the State Governments for various programmes such as soil conservation, minor irrigation, animal husbandry, etc. The State Government of Bihar had requested for higher rate of subsidy for soil conservation and minor irrigation programmes than provided in the scheme, on the pattern of assistance available under the State Government. Against the usual pattern of 75 per cent loan and 25 per cent grant for permanent works including soil conservation measures under the scheme, the Government of India have sanctioned a liberal pattern of assistance i.e., 75 per cent grant and 25 per cent loan on contour bunds, 100 per cent grant on gully control, 100 per cent grant on construction of silt detention dams, 100 per cent grant on construction of drop inlets and 100 per cent grant on land development. Similarly under minor irrigation, for constructing big diameter wells (20'), 75 per cent grant and 25 per cent loan has been agreed to against the usual pattern of 25 per cent grant and 75 per cent loan. Besides there has been provided flexibility in the scheme and the request of each State Government is examined on its merits.

F. No. 13(52)/72-CUIII (Vol. II).

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 73, Para 3.21)

The Committee would like Government to examine this basic question of differential rates of subsidy provided under the Central Scheme and the State Schemes and take such remedial measures which may be necessary to narrow the gap between the two kind of subsidies. In the Committee's opinion this will help to accelerate the progress of various programmes in the dry areas. The Committee

need hardly stress that the farmers deserve all possible help and encouragement to benefit from the present scheme through provision of sufficient funds so that they can increase production by the application of dry farming techniques.

Reply of Government

As replied under recommendation No. 3.20.

F. No. 13(52)/72-CUIII (Vol. II).

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 74, Para 3.24)

The Committee are convinced that Master Plans for areas development are absolutely essential, if agriculture is to be developed in an integrated and systematic manner. In preparing these Master Plans, while greater attention should be given to the needs of areas which are unirrigated, the problems of irrigated land situated in the same area should not be overlooked. In fact, the effort should be to have an over-all plan, which would cover all types of area falling in it, so that measures could be taken to develop the best suited agricultural practices, with particular reference to the requirements of small farmers, marginal farmers and agricultural labour.

Reply of Government

On the recommendations of the Study Team on Dry Land Farming, the State Governments had already been asked to prepare Master Plans based on soil survey, hydrological survey and contour survey so as to put the land to its best use according to its capability, exploitation of ground water resources and for the proper construction of contour bunds or graded bunds. The various programmes such as crop cultivation, pasture development, afforestation etc., are carried out according to the suitability of the land. Such programmes help meeting the requirements of small farmers, marginal farmers and agricultural labour. They were again reminded as desired by Estimates Committee at the time of factual verification, to expedite the preparation and supply of the Master Plans on priority basis. Master Plans from few projects have already been received and rest are expected to be prepared shortly.

Since an integrated development of the project area is envisaged under the scheme, due attention is paid to the developmnt of irrigated areas also. A greater emphasis, is of course laid to demonstrate the new techniques of dry land farming in unirrigated areas.

F. No. 13(52)/72-CUIII (Vol. II).

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 75. Para 3.27)

The Committee are puzzled as to how the Indore Project came to be located at a distance of 59 Kms. It is 39 Kms. from the main centre, in an inaccessible area which remains cut off from the Centre for about 5 months, because of lack of village roads and standing water. It would be pertinent in this connection to recall that, according to the Study Team which reviewed the matter, there was typical dry farming area available within 8 to 15 kilometres of the main Centre and, therefore, there was no particular reason for locating it in an inaccessible area. The Committee also are unable to appreciate as to what purpose is served by locating the staff for extension work at Indore, when their field of work is 39 Kms. away and that too in an area which is not accessible for about 5 months. The Committee would like Government to take immediate action to relocate the area for the Indore Project, keeping in view all relevant factors. The Committee would like Government to ensure that, in future, all aspects of the matter are gone into fully by a Study Team of Experts so as to select the best suited area for demonstration of dry farming technology in the interests of having maximum impact on the agricultural scene.

Reply of Government

The selection of a site for the project within the district, indicated by Government of India, is generally left to the State Governments. In view of the recommendation made by the Estimates Committee, all the concerned State Governments including Madhya Pradesh were requested to review the position with regard to location of their Dry farming projects. The State Governments have generally replied that projects are located at suitable sites. The Madhya Pradesh State Government have clarified that the dry farming research centre is situated in the very heart of the city and accordingly the location of the project too close to the city would have defeated the very purpose of the project. The farmers in the areas surrounding the city are mostly urbanised. The number of absentee landlords

amongst them also is large. Moreover, Indore project started with 4 villages and 8,000 acres but now it has 20 villages with the operational area of 20,000 acres. The project area now begins just after about 6.4 kilometres from the industrial outskirts of Indore city. This distance of 6.4 Kms. between the project and the industrial zone of Indore city cannot be considered as too great. The present distances are as follows: Indore city to the last village of the industrial belt (Bada-Bangard) 11.2 Kms; from the industrial outskirts (Bada Bangarda) to the first village of the project (Ushapura) 6.4 Kms.; from the first village of the project (Ushapura) to the project headquarters Depalpur 20.4 Kms.

The present project area is now fairly well served with roads. One State highway from Indore to Betma and two major District roads from Indore to Depalpur and Betma to Depalpur run through the project area. Most of the villages in the project area are easily approachable even in rainy season. Only four villages are cut off to vehicular traffic during the rainy season. Madhya Pradesh Government have stressed that the communication facilities available in the project area are better than the average rural situation. It is further stated that pending the finalisation of arrangements at Depalpur, the project staff was temporarily located at Indore in the beginning. Now the project officer and his staff are located at Depalpur, in the project area itself.

It will thus be seen that the objections to the location of the project raised by the Study Team have been met in the context of the present situation of the project.

The Committee's suggestion to ensure that in future all aspects with regard to selection of site are gone into fully by Study Team of Experts so as to select the best suited area for demonstration of dry farming technology in the interest of having maximum impact on the agricultural scene has been brought to the notice of the concerned State Governments.

F. No. 13(52)/72 CUIII(Vol. II).

[Ministry of Agriculture (Department of Agriculture)
O.M. No. 2-2/73-Budget dated 27-10-1973.]

Recommendation (S. No. 76, Para 3.35)

The Committee note that a number of crop, improvement research schemes have been implemented by I.C.A.R. on important crops in the country and that higher production has been obtained at the

Research Centres. The Committee attach the highest importance to evolving of suitable seeds, agricultural practices and other inputs for achieving best production results in the dry farm areas. The I.C.A.R. should take a lead in this respect and ensure that the results of existing experience are carefully evaluated, so as to evolve most suitable package programmes for application to dry farms situated in various parts of the country. The Committee stress that I.C.A.R. should play a more positive role in developing seeds suitable for dry areas. Government should also ensure that the suitable seeds of proven quality are made available at reasonable rates and on assured basis to the farmers in the dry areas through the extension centres of research institutes or through the sales offices of National Seeds Corporation.

Reply of Government

The recommendation of the Committee has been brought to the notice of all the concerned. The varieties which become available as a result of I.C.A.R. crop improvement and Dry Farming Research for dryland conditions specially jowar, millets, pulses, oil-seeds, cotton, rice, etc., are screened further in different dry land research centres for identifying the best of these varieties for recommending them to the cultivators. The I.C.A.R. have further issued instructions to all concerned for intensifying their efforts on the above mentioned lines. At the 24 Dryland Projects, different practices are also being evaluated by arranging adaptive trials and large scale demonstrations to develop a package of programme for dryland areas.

As regards the suggestion that Government should ensure that suitable seeds of proven quality are made available at reasonable rates and on assured basis to the farmers in the dry areas through the extension centres of research institutes or through sales offices of National Seeds Corporation, it may be stated that N.S.C. is already producing certified pedigree seeds of wheat-Kalyan sona; Rice-Ratna, Kaveri. CR-44-35, Pust 2-21, Bala; Barley-Ratna; Jowar-2219A X CS 3541, CSH-1, Swarana; Bajra-HB-3; Maize-Ganga-5; Castor-Aruna; Sunflower-EC68414 and EC 68415; Arhar-Ageti, Sharda; and Cotton-J-34. In addition N. S. C. is laying emphasis on the Production and supply of pulses seeds. The good quality seeds are also produced by Agriculture Universities, Government farms and progressive farmers. With regard to supply of good quality seeds at reasonable rates, it has to be recognised that the quality seeds conforming to genetic purity, germination and various physical qualities

standards are available inevitably at somewhat higher cost than ordinary seed of non-descript nature. To overcome this problem, the Government have already introduced the element of subsidy which is 100 per cent in case of new crops introduction in a year, 50 per cent on improved seeds during first year for the area covered and 25 per cent in the second year for the same area so that the farmers in the dry areas could recognise the utility of good seeds for themselves. The effective demands of seeds of the dry farming projects is also proposed to be met by arranging priority allocation from N. S. C.

F. No. 13(52)/72 CUIII (Vol. II).

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973]

Recommendation (S. No. 77, Para 3.39)

The Committee note that Cooperative as well as commercial banks are not agreeable to provide loans in the dry areas owing to greater risk involved and consequently Government have decided to provide long-term|medium-term loans during 1972-73 and 1973-74. The Committee further note that short-term loans have to be provided by the State Governments but certain difficulties have been experienced due to the non-functioning of service cooperative Societies in the project areas.

Reply of Government

The State Governments have been advised to remove the difficulties of the Cooperative societies so as to ensure that they become an effective tool in the supply of credit in the dry farming areas. The State Governments have also been advised to approach the commercial banks to extend and ensure long/medium and short-term loan facilities in the Fifth Plan. Some of the State Governments are providing short-term loan as taccavi loans.

F. No. 13(52)/72-CUIII (Vol. II).

[Ministry of Agriculture (Department of Agriculture) O. M. No. 2-2/73-Budget dated 27-10-1973]

Recommendation (S. No. 79, Para, 4.10)

The Committee note that the Crash Scheme for Rural Employment was put into operation in April, 1971 on the basis of 100 per cent

grant from the Central Government and with an annual allocation of Rs. 50 crores. Each district is allotted on an average Rs. 12.50 lakhs per annum. The scheme has two basic objectives namely (i) direct generation of employment in all the districts of the country through the execution of projects which are essentially labour intensive and (ii) production of assets of a durable nature in consonance with the local development plans so that all round development of the districts is assisted. The scheme intends to generate employment for 1000 persons on an average per year in every district.

Reply of Government

Noted.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973]

Recommendation (S. No. 80, Para 4.11)

The Committee further note that the projects undertaken under the Crash Scheme include construction of roads, soil conservation, reclamation and development of land, drainage, flood protection, anti-water logging measures, water conservation and ground water recharging, construction of class rooms for Primary School Buildings etc.

Reply of Government

Noted.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973]

Recommendation (S. No. 81, Para 4.12)

From the material furnished to the Committee it is noticed that during 1971-72, 81 per cent of the total expenditure incurred in 13 States and 5 Union Territories relates to one item alone namely "Construction of roads". The expenditure incurred on minor irrigation is only to the tune of 8.89 per cent and for land reclamation it is as low as 1.60 per cent. Government have explained that the State Governments have been given discretion to select projects with due regard to the needs of different local areas.

Reply of Government

Noted.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973]

Recommendation (S. No. 83, Para 4.14)

The Committee would like the Central Government to investigate how much money has been spent by State Governments for construction of "pucca" roads and how much money has been spent on construction and maintenances of kachcha roads. As production of durable assets is one of the basic objectives of the scheme, Government must ensure that the roads which have been constructed remain serviceable. It is no use building "Kachcha" roads only which are liable to disappear after one or two rainy seasons and therefore provision should be made to make all "Kachcha" roads "pucca" which will also create additional employment.

Reply of Government

The recommendation has been noted for necessary action. The State Govt. have been informed of this recommendation *vide* this Ministry's letter No. H. 11011/3/73-RME dated 18. 8. 73 and requested to intimate the expenditure incurred on construction of Kachcha and pucca roads.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973]

Recommendation (S. No. 87, Para 4.18)

The Committee would, therefore, emphasise that Government should have a master plan prepared for each area being taken up for Crash Scheme and ensure that the funds are utilised for creating assets which would help improve the economy of the areas besides providing employment opportunities.

Reply of Government

The point made by the Estimates Committee is valid. Suitable provision has, in fact been incorporated in the C. S. R. E. Guidelines, the relevant position of which reads as follows:—

"It may be recalled that the Scheme has two basic objectives, namely (i) the direct generation of employment in all the districts of the country through the execution of projects:

which are essentially labour intensive, and (ii) the production of assets of a durable nature in consonance with local development Plans so that the all round development of the districts is assisted."

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973]

Recommendation (S. No. 88, Para 4.25)

The Committee note that the ceiling on the cost of field staff for supervision of the projects under the Crash Scheme for Rural Employment has been raised from 3 per cent in 1971-72 to 5 per cent in 1972-73 in the interest of the durability of the projects. The Committee further note that Government have taken this step at the instance of the State Governments to provide them with more funds for supervision of the projects. Government have also stated that the assessment of the work can be done only at the end of 1972-73 and only then they will be in a position to say whether any improvement has taken place.

Reply of Government

Noted.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973]

Recommendations (S. Nos. 89 and 90, Paras 4.26 and 4.27)

The Committee trust that Government will keep a close watch on the results achieved in various projects during 1972-73 and review the position whether the enhancement of the ceiling on the cost of field staff from 3 per cent to 5 per cent has brought about the desired improvement in the implementation of the Scheme.

While the Committee appreciate the need for proper supervision, they would like to caution against large expenditure being incurred on merely administrative account. The Committee feel that if guidelines are laid down properly and if the criteria for employment of persons are applied objectively, it should be possible to keep the administrative overheads to the minimum. The Committee stress that the funds should be so expended as to generate maximum employment opportunities and every care should be taken to see that the expenditure on supervision is kept to the minimum.

Reply of Government

A large supervisory staff will normally mean correspondingly more intensive supervision over the execution of the projects. It is, however, emphasised that the State Government will not entertain or employ additional supervisory staff unless they are absolutely necessary; for the CSRE Guidelines have an inbuilt safeguard against unnecessary expenditure on supervisory staff. The expenditure on supervisory staff is restricted to 5 per cent of the total fund and has to be met from the allowance made for materials. On an average 30 per cent of the total cost of a project is allowed for materials. This is barely enough to cover the cost of material, which is so very necessary for ensuring the durability of the projects. Therefore, engaging additional supervisory staff will mean a corresponding reduction of resources available for materials which the State Govts. will be reluctant to do, unless absolutely necessary.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2|73-Budget dated 27-10-1973]

Recommendation (S. No. 91, Para 4.32)

The Committee note that the Crash Scheme for Rural Employment introduced during the Fourth Plan differs from the Rural Works Programme taken up during the Third Plan period in two respects. Firstly, the Rural Works Programme of the Third Plan did not have all-India coverage and it roughly covered one-fifth of the country by the end of the Third Plan. Crash Scheme on the other hand extends to all districts of the country. Secondly, in the Third Plan, no specific financial outlay was provided in the Plan itself for the Rural Works Programme with the result that the Central Government could not give the State Government any assurance at any point of time that a particular amount would be available to them in future for the Rural Works Programme. But under the Crash Scheme the State Governments know their financial allocation and they can plan ahead for various projects.

Reply of Government

Noted.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2|73-Budget dated 27-10-1973]

Recommendation (S. No. 92, Para 4.33)

The Committee further note that the Scheme envisaged an expenditure of Rs. 50 crores to generate 875 lakh mandays of employment in a full working season of 10 months during 1971-72. It has been stated that as the work could start only in October, 1971 the actual expenditure on the scheme during 1971-72 was Rs. 31.27 crores which has resulted in the generation of 799.34 lakh mandays of employment. Government have also claimed that the basic objective of the scheme to provide a certain minimum quantum of employment in every district of the country has been fulfilled and "for a broader and more comprehensive employment programme other criteria will have to be adopted."

Reply of Government

This is in the nature of an observation. According to the latest information available with us, the actual expenditure on the scheme during 1971-72 was Rs. 31.28 crores resulting in the generation of 799.18 lakh mandays of employment. Since the difference is only marginal, it may be ignored. It may, however be added that during the year 1972-73, an expenditure of Rs. 52.11 crores was incurred resulting in the generation of 1305.52 lakh mandays of employment.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973]

Recommendation (S. No. 93, Para 4.34)

The Committee would like Government to most carefully review the progress made so far in implementing the Crash Programme so as to see whether the underlying objective of spending Rs. 50 crores on creation of employment opportunities and durable assets has really been achieved. The Committee feel that there is need for most carefully selecting the schemes as stressed earlier in this Chapter so that lasting assets which would make for development are created and the money is not directed to ventures which do not actually contribute towards growth and development.

Reply of Government

Only those projects are permitted to be taken up under the CSRE which are essentially labour intensive and which promote the development of the districts. In this connection, the relevant paras from the CSRE Guidelines are reproduced below:—

8.1. The projects that will be undertaken should be essentially labour intensive and should promote the development of the districts. They may relate to—

- (a) road building;
- (b) reclamation and development of land;
- (c) drainage, flood protection and anti-water logging;
- (d) water conservation and ground water recharging;
- (e) minor irrigation;
- (f) soil conservation;
- (g) afforestation;
- (h) construction of additional class-rooms for primary school building;
- (i) special repairs—as distinguished from ordinary day to day, maintenance repairs—of existing assets with a view to making them durable and useful.

This list is illustrative and not exhaustive. Any project that is labour intensive and useful for the development of a district can be undertaken.

8.2. The principle enunciated above is however subject to the condition that everything should be intended for the benefit of the community as a whole and not for the benefit of any individual or any particular group of individuals except that things like housing colonies for the weaker and indigent sections of the community will be permissible.

2. The CSRE Guidelines also provide that the State Governments shall inform the Government of India of the projects sanctioned by them under the CSRE. The details of such projects received from the State Governments show that they have taken up only those projects which are essentially labour intensive, which promote the development of the district through creation of lasting assets and which are permissible under the Guidelines.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973]

Recommendation (S. No. 94, Para 4.45)

The Committee note that with effect October, 1972 a new scheme entitled Pilot Intensive Rural Employment Project is being implemented in 15 selected Blocks in the country with the larger objective

of providing employment to everyone in the age group of 15 to 59 who may seek employment. The Committee further note that the existing scheme of CSRE has the limited objective of providing a certain minimum quantum of employment in every district of the country and Government are of the view that this scheme cannot solve the problem of unemployment in the country all by itself.

Reply of Government

Noted.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973]

Recommendation (S. No. 95, Para 4.46)

The Committee on Unemployment have also expressed the view that the Crash Scheme for Rural Employment as at present conceived is not likely to throw sufficient light on the magnitude and nature of the problem in the rural areas and size of resources needed for providing adequate employment for all persons seeking work.

Reply of Government

Noted.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973]

Recommendation (S. No. 96, Para 4.47)

The Committee hope that the results of the new scheme of PIREP which has been implemented in 15 Blocks only in October, 1972 will be carefully watched by Government and on the basis of the studies made a decision will be taken for its expansion to more areas of the country in the Fifth Plan period. The Committee need hardly stress that the problem of unemployment is becoming acute day by day and Government will have to take some long term measures to solve the problem.

Reply of Government

Noted.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973]

Recommendation (S. No. 97, Para 4.48)

As the Intensive Rural Employment Project Scheme has been taken up on a pilot basis only and is meant to provide Government with experience in depth of the dimensions of the problem of unemployment and the efficacy of various measures like imparting of new skills, employment of men and women of different age groups for varied periods, creation of durable assets of diverse natures, the Committee would refrain from expressing any hasty conclusion. They would, however, like Government to evaluate the pilot projects most critically so as to identify the weaknesses and the challenges which the programme may have to meet at various levels to achieve the objective. The Committee need hardly point out that it is of the utmost importance that the money spent for generating rural employment in fact results in creation of infra-structure and other durable assets also which would lift the rural area from the bane of crushing poverty and make its economy viable on a permanent basis.

Reply of Government

Noted.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973]

Recommendation (S. No. 99, Para 5.15)

The Committee note that a scheme was drawn up by the Ministry of Agriculture in 1970 for setting up 5,000 Agro-Service Centres during the Fourth Plan period with a view to provide self-employment opportunities for engineers, diploma-holders, agricultural graduates etc. and to encourage them to settle in rural areas. The scheme was formulated in consultation with the Department of Banking and the scheme was expected to provide self-employment opportunities to about 50,000 unemployed engineers etc. It was also expected that with the establishment of 5000 Agro-Service centres, 30,000 to 50,000 persons would be employed in related activities in the rural areas.

Reply of Government

The factual position indicated in this recommendation is accepted.

File No. 12-55/72-MY(AI)

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973]

Recommendation (S. No. 100, Para 5.16)

The Committee further note that the scheme which was primarily a scheme to be financed by the Nationalised Banks with no other incentives did not make any headway and the Ministry had to introduce certain modifications. Under the revised scheme, the entrepreneurs were provided interest subsidy on loans equivalent to the difference between the normal lending rate of the bank and 5 per cent maximum payable by the borrower. In addition, it was decided to set up 14 Training Cells in various States by the Agro-Industries Corporations for giving training to the entrepreneurs and funds were provided to these Corporations to meet the expenditure on their training programme.

Reply of Government

The original scheme for setting up of Agro-Service Centres did not provide any incentive to the unemployed engineers. The scheme, therefore, was not popular. The scheme had, therefore, to be revised to make it workable and acceptable to the unemployed engineers. This was done in December, 1971 and the response to the revised scheme is encouraging.

As against 14 training cells to be established, 13 have been established so far.

File No. 12-55/72-MY (AI)

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973]

Recommendation (S. No. 101, Para 5.17)

The Committee also note that 95 Agro-Service Centres were set up during 1971-72 under the original scheme and an additional 165 centres were set up later under the revised scheme thus raising the total number of centres set up so far to 260. The Committee are concerned to note that against the targets of 240 centres during 1971-72 and 1000 centres during 1972-73, the scheme has made somewhat tardy progress with only 260 centres to its credit. The Ministry have also admitted that the target of 1,000 centres fixed for 1972-73 is not likely to be achieved.

Reply of Government

The scheme of setting up Agro-Service Centres envisages *inter alia* the selection of unemployed engineers, training them for a period

of four months, arranging for finance from the Nationalised Banks after survey of the project areas, and after the preparation of the Project Report including critical examination by the financial institutions for its viability. The setting up of Agro-Service Centres in the initial stages, therefore, had taken some time because the revised scheme itself was finalised in December, 1971. 13 Training Cells could be established in 1972-73. 750 Agro-Service Centres have been established upto 15-10-73 and 1,600 entrepreneurs have been trained. 500 more are likely to be trained by March, 1974. This progress would show that the programme of setting up of Agro-Service Centres is now picking up.

File No. 12-55/72-MY(AI)

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973]

Recommendation (S. No. 102, Para 5.18)

The Committee are greatly concerned to note that against the target of setting up 2500 Agro-Service Centres during the Fourth Plan period, only 260 Centres have been set up so far. The Committee find that the progress made has been far short of the targets fixed for 1971-72 and 1972-73. This underlines the need for most careful investigation and detailed planning so that the Agro-Service Centres are located in such places where there is a genuine need for these services on sustained basis. The Committee need hardly point out that Agro-Service Centres like small scale industries cannot be arbitrarily located lest they wither away soon thereafter for want of sustained demand. The Committee also would like to point out that the requirements for facilities for each Agro-Service Centre would vary from area to area, and therefore, there is need for detailed and specific planning for each centre. Once this having been done, it should be possible for the authorities concerned to see that the requisite facilities by way of trained personnel, necessary finance for purchase of machinery, availability of power for running the machines etc. are provided. The Committee would like Government to review the progress made so far in the setting up of the Agro-Service Centres through technically and qualified task forces so as to find out how far these are functioning successfully and meeting the requirements of the area. The deficiencies and shortcomings noticed in their functioning should be rectified without delay and necessary improvements made right from the beginning in the setting up of new centres.

Reply of Government

The recommendations are accepted. In this connection, it may be stated that during the course of training, the young entrepreneurs are sent to the proposed location of this Agro-Service Centre. They collect all necessary information with regards to Agril. Machinery and other inputs required in that particular area along-with the existing facilities. Project Reports are prepared with the help of authorities concerned in the Training Cells and the representatives from the Nationalised Banks. These Project Reports are carefully examined by the Agro-Industries Corporations keeping in view the data collected by the entrepreneur of that particular area. Field Officers of the Banks also visit these locations before sanctioning of loan to the entrepreneurs which give a cross check of the location. At present the main activity of the centres are Custom Hiring Work.

With regard to the Review of this programme through technically qualified task force , it may be mentioned that there is already a Review Committee presided over by the Minister of State for Planning in the Planning Commission. The Task Force on Employment Schemes also reviews the working of this scheme. For instance, there is a Moniteering Group of the Planning Commission which assists in reviewing the progress and highlights the deficiencies and shortcomings if any of the scheme.

File No. 12-55/72-MY (AI)

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973]

Recommendation (S. No. 103, Para 5.19)

The Committee would like to emphasise that while they appreciate the objectives underlying the concept of Agro-Service Centres, they want Government to proceed in the matter with the utmost care so that these Agro-Service Centres not only serve the needs of the area, but become focal points of development, while providing employment opportunities to unemployed technocrats and inducing them to settle in rural areas.

Reply of Government

The recommendations of the Committee are accepted by the Government.

File No. 12-55/72-MY (AI)

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973]

Recommendation (S. No. 104, Para 5.96)

The Committee note that 14 Agro-Industries Corporations have been selected to set up training cells in their respective States. The Committee also note that Government have taken some emergent measures to develop training facilities at Budni and Hissar Stations to provide training to unemployed personnel drawn from the rank of graduates in agriculture, technology and other subjects. These centres have trained 242 personnel up to 31st March, 1972 and 100 entrepreneurs are undergoing training at present. The Ministry have stated that the number of trainees so far in various training cells is 550 and have also claimed that the target of 1000 persons to be trained during 1972-73 is likely to be achieved.

Reply of Government

Besides the training facilities at Budni and Hissar which have been augmented, 13 training cells have been set up by the Agro-Industries Corporations in as many States. Nearly 1600 trainees have already been trained in the Training Centres. Another 500 are likely to be trained by March, 1974. 750 Agro-Service Centres have been set up upto 15th October, 1973.

File No. 12-55|72-MY (AI)

[Ministry of Agriculture (Department of Agriculture) O.M.
No. 2-2|73-Budget dated 27-10-1973]

Recommendation (S. No. 105, Para 5.27)

The Committee feel that the training should be related to the type of service which these entrepreneurs would be required to render in the field. The Committee would, therefore, like Government to review urgently the course of training at present provided to make sure that it is sub-serving the purpose. The Committee need hardly point out that modifications in the training programme should be made if necessary to make it more meaningful to the type of service these personnel would have to render in the field.

Reply of Government

The recommendations of the Committee are accepted by the Government. It may be pointed out that the entrepreneurs of Agro-Service Centres are technical personnel from the categories of either Agril. Graduates or Engineers and Diploma Holders who have got adequate engineering background. The training is so arranged as to impart engineering skill to the Agril. Graduates and Agril. knowledge to the engineering personnel. Practical knowledge in business

and financial management, of storekeeping and marketing is imparted during the training. The training courses, have, therefore, been so designed so as to cover the following aspects:—

- (i) Farm Machinery Course alongwith field application of farm machinery and servicing, repairs, etc.
- (ii) Running the tractors on custom hiring including survey work allotment and control of revenue and expenditure.
- (iii) Introductory lessons on basic Agriculture, Industrial and Financial Management, etc.
- (iv) Maintenance of Stores and Spares.
- (v) Guest speakers from industries are also invited to deliver lectures.
- (vi) Tours are conducted to show industries & Agro Service Centres.

File No. 12-55|72-MY (AI)

[Ministry of Agriculture (Department of Agriculture) O.M.
No. 2-2|73-Budget dated 27-10-1973]

Recommendation (S. No. 106, Para 5.28)

The Committee would also suggest that these training courses should be carried out on decentralised basis in other regions so that the persons are given training in areas which are actually representatives of the place where they would have to serve.

Reply of Government

Training Cells have been established in 13 different States with a view to cater to the needs of entrepreneurs from these regions. It may be added that lessons in theory are imparted at the Training Institutions set up by Agro-Industries Corporations. The trainees are taken for practical work to the fields where knowledge in the use of farm machinery in actual working conditions is imparted to them. The work relating to repair and maintenance of tractors and other farm machinery is taken up at the workshops of the Agro-Industries Corporations.

File No. 12-55|72-MY (AI)

[Ministry of Agriculture (Department of Agriculture) O.M.
No. 2-2|73-Budget dated 27-10-1973]

Recommendation (S. No. 107, Para 5.32)

The Committee note that there is no yard stick employed by Government for selecting personnel for manning Agro-Service Centres except that persons having the basic engineering degree or diploma or an *agril* degree are selected and given training for the purpose.

Reply of Government

The selection of entrepreneurs is made through a Selection Committee consisting of Managing Director of State Agro-Industries Corporation, Secretary, (Industry), Agriculture Department, Finance Department, 2-3 representatives of Commercial Banks participating in the programme under the Chairmanship of State Agriculture Development Commissioner/Agro Production Commissioner. The Selection Committee takes into account the basic considerations including the aptitude etc. of the candidates apart from the technical qualifications.

File No. 12-55/72-MY (AI)

[Ministry of Agriculture (Department of Agriculture) O.M.
No. 2-2/73-Budget dated 27-10-1973]

Recommendation (S. No. 108, Para 5.33)

The Committee hope that the training courses will be so devised as to equip the entrepreneurs with basic knowledge about the practical working of the Agro-Service Centres and make them fit in all spheres to render service to the small and marginal farmers in the rural areas, who generally suffer badly for want of essential technical supporting services.

Reply of Government

The training being given to the entrepreneurs even at present includes practical training which helps them to serve the farmers. In fact the training syllabus also includes the imparting of knowledge in the following fields:—

- (a) Farm Machinery Course alongwith field application of Farm Machinery and servicing, repairs, etc.
- (b) Running the Tractors on Custom Hiring including survey work allotment and control of revenue and expenditure.

- (c) Introductory lessons on basic Agriculture, industrial and Financial Management, etc.
- (d) Maintenance of Stores and Spares.
- (e) Guest speakers from industries are also invited to deliver lectures. Tours are conducted to show workshops, industrial units and Agro-Service Centres.

File No. 12-55/72-MY(AI)

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973]

Recommendation (S. No. 109, Para 5.38)

The Committee note that the progress of the scheme of Agro-Service Centres has not been satisfactory as the Nationalised Banks are still shy of advancing loans to the entrepreneurs who are selected for training. The Committee further note that most of the entrepreneurs belong to the middle-class families and they are unable to furnish margin money to the bank or provide guarantee for the loan amount.

Reply of Government

The Ministry of Agriculture in consultation with the Ministry of Finance and Planning Commission have been taking steps to streamline the procedures for grant of loans. To obviate procedural delays periodical interministerial meetings are also held. As a result of these efforts, Review Committees at the State level consisting of 4.5 representatives of the Nationalised Banks, the Managing Director of the Agro Industries Corporation and the Engineer-in-charge of training centre have been formed in most of the states. The functions of these Committees are to help selection of particular engineers for attachment to different Nationalised Banks and to establish a continuing relationship between the prospective lender and the borrower, in order to overcome undue delays in the matter of sanctioning of loans.

File No. 12-55/72-MY(AI)

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973]

Recommendation (S. No. 110, Para 5.39)

It has been stated that the Central Cell in the Ministry of Agriculture has been pursuing constantly the cases of delay in the grant

of loans by banking institutions. The Banking Department have issued necessary directions to the banks and Agro-Industries Corporations have been instructed to contact the Regional Branch of the Bank in cases of delay. The Banking Department have also sent lists of individual cases to the custodians of banks for eliminating procedural delays.

Reply of Government

The progress of sanction of loans by the Banks is periodically discussed at the Inter-Ministrial Meetings organised by the Department of Agriculture where apart from the Department of Banking, Finance, Planning Commission, representatives of Banks and Agro Industries Corporation as also the Entrepreneurs are present. The bottlenecks are discussed and suitable remedial action taken.

File No. 12-55/72-MY (AI)

[Ministry of Agriculture (Department of Agriculture) O.M.
No. 2-2/73-Budget dated 27-10-1973]

Recommendation (S. No. 111, Para 5.40)

The Committee feel that the Agro-Industries Corporations must play a dominant role in making this scheme a success. The Corporations must render all possible help to the Entrepreneurs who have received training in their Training Cells. Serious efforts should be made by the Corporations to enable the trained personnel to get loans from the Banks.

Reply of Government

The State Agro-Industries Corporation who conduct the training courses in the Training Cells established at the State level under this scheme are taking keen interest in the speedy establishment of the Agro Service Centres. They assist entrepreneurs in survey of suitable areas, preparation of project reports, critical assessment of the same, arranging for loans from financing institutions and also appoint them agents for spare parts, servicing and other inputs.

File No. 12-55/72-MY (AI)

[Ministry of Agriculture (Department of Agriculture) O.M.
No. 2-2/73-Budget dated 27-10-1973]

Recommendation (S. No. 115, Para 6.17)

The Committee note that for the economic development of the tribal areas 6 Pilot Projects have been sanctioned in the States of

Andhra Pradesh, Bihar, Madhya Pradesh, and Orissa. The "Action Plan" furnished by the respective State Governments were approved by the Central Government during December, 1971 to January, 1972.

Reply of Government

This is in order and does not call for any comments.

No. 6-8/73-TDP

[Ministry of Agriculture (Department of Agriculture) O. M. No.
No. 2-2/73-Budget dated 9-11-1973]

Recommendation (S. No. 116, Para 6.18)

The Committee further note that the Tribal Development Agencies which have been made responsible for the execution of the projects have been registered during January, 1972 to March, 1972 under the Societies Registration Act, 1860 in all the project areas. The collector of the district where the project is located acts as the Chairman of the Agency. It has been stated that these projects will operate for a 5 year period beginning from April, 1972 and will continue to operate for the first three years of the Fifth Plan. The Ministry of Agriculture have stated that these projects have been taken up mostly in the hilly areas of Srikakulam, Singhbhum, Bastar, Ganjam and Koraput districts as tribal population are mostly to be found in the hilly tracts. But, for the present, no special scheme of tribal development has been taken up in the hilly areas of the Himalayan tract.

Reply of Government

This is in order and does not call for any comments.

No. 6-8/72-TDP

[Ministry of Agriculture (Department of Agriculture) O. M. No.
No. 2-2/73-Budget dated 9-11-1973]

Recommendation (S. No. 117, Para 6.19)

The Committee would suggest that periodic evaluation of work done in these pilot projects should be undertaken by Government with a view to assess the impact made and to find out the deficiencies, if any, in the implementation of the programme and to take suitable remedial steps in the light thereof.

Reply of Government

The progress of implementation by the TDA Projects of various programmes as approved is being reviewed regularly at different levels. Steps taken in this direction are indicated below:—

2. Each project has a Governing Body which meets from time to time, reviews the work done and chalks out fresh programmes on the basis of experience gained. Each Project also sets up occasional Action Committees, Study Teams, Sub-Committees etc. to probe into various problems and to suggest remedial steps. District level Seminars are also held to review progress of various programmes.

3. Further, State Level Co-ordination Committees have been formed which coordinate, review and evaluate the progress of work done by the respective TDA Projects from time to time.

4. Each of the six TDA Projects is required to furnish a monthly progress report and a quarterly write-up. These reports indicate, among other things, the number of deserving tribal participants benefited under the various programmes and the progress made in achieving the physical targets. At the Ministry level, progress is reviewed quarterly and the deficiencies are pointed out to the State Governments|Projects to enable them to take suitable remedial steps.

5. At the Centre, there is a "Secretaries Committee" which is now known as the "Sanctioning Committee". It generally meets once in a quarter, reviews the progress of the tribal development schemes, approve of the revised|new schemes to be implemented in the Project areas & gives policy directions in various fields of activities.

6. The Central Coordination Committee of the Planning Commission also reviews the progress occasionally and provides the top level policy guidance.

No. 6-8/72-TDP

[Ministry of Agriculture (Department of Agriculture) O. M. No.
No. 2-2/73-Budget dated 9-11-1973]

Recommendation (S. No. 118, Para 6.20)

The Committee trust that on the basis of experience gained in these pilot projects similar schemes for tribal development will be put into operation in other areas in the Fifth Plan with a view to

provide facilities to tribal people and raise their standard of living. While drawing up any programme for expansion Government must keep in mind the interests of tribal people living in the Himalayan tract and other hill areas and ensure that projects are set up in those areas as well.

Reply of Government

The existing six TDA Projects in the Central Sector will continue during the first 3 years of the Fifth Plan. Proposals have been formulated to extend similar programmes elsewhere in the country. An effort will be made to set up one pilot TDA project in every State having a sizeable tribal population, during the Fifth Plan, although the final position will depend on the quantum of funds, ultimately available.

2. Special attention is also being given to hill areas which constitute a category of the problem areas for agricultural Development. For the economic upliftment of the hill people, who are also predominantly tribal, two integrated agricultural development projects have already been taken up on pilot basis at Pauri Garhwal (U.P.) and at Nungba Sub-Division (Manipur). Both the projects have started operation recently. It has been proposed to continue these 2 projects during the Fifth Plan and to start a few new projects in the Himalayan and other hill regions of the contry, depending on the availability of resources.

No. 6-8/72-TDP

[Ministry of Agriculture (Department of Agriculture) O. M. No.
No. 2-2/73-Budget dated 9-11-1973]

Recommendation (S. No. 119, Para 6.21)

The Committee also note that the Planning Commission have frankly admitted in their document entitled 'Approach to Fifth Plan 1974-79' that the schemes for economic improvement of backward classes have made little impact on the poverty, educational backwardness and social disabilities of backward classes. There is also the realisation that the benefits of development both in the general sector and especially in the backward classes sector have not percolated to the lower sections of these communities.

Reply of Government

The matter has been brought to the notice of the State Governments to ensure that the benefits of tribal development programmes

go only to the tribals as the main responsibility for the economic development of the tribal population primarily rests with the State Governments concerned.

2. The present six TDA Projects under the Central Sector are of a pilot nature. They aim at finding a solution to the economic problems confronting the tribals. Due care, however, is being taken to ensure that the entire benefits from implementation of the various programmes reach only to the deserving section among the tribals.

3. The State Governments and the Agencies have been instructed to confine the coverage of the programmes to deserving tribal families with holdings below 10 acres of dry or 5 acres of wet land. These Pilot Projects have practically been on the ground since 1972-73 and most of the schemes taken up for implementation are at their initial stages. It is, therefore, too early to assess the impact created.

4. However, being pilot projects, these cover a limited population, at the rate of 50,000 per project, the total population covered by these six projects is only 300,000 out of a total tribal population of about 38 million in the country. For such programmes to have a real impact, the State Governments will have to set apart sizeable resources separately and specifically for the tribal populations. In the Working Group discussions for State Fifth Plans, this aspect has been impressed upon the State representatives.

No. 6-8/72-TDP

[Ministry of Agriculture (Department of Agriculture) O. M.
No. 2-2/73-Budget dated 9-11-1973]

Recommendation (S. No. 120, Para 6.22)

The Committee need hardly stress that it is the duty of Government to take such remedial measures, which will bring about economic betterment of the weaker sections of the society. Government should try to achieve this objective not merely through a number of Centrally Sponsored Schemes but by impressing upon the State Governments the need to remove the economic disparities and social disabilities with which the tribal people suffer at present.

Reply of Government

This recommendation has been noted and has also been brought to the notice of the State Governments concerned. While specific attention is being given at the Centre through Central Sector and

Centrally Sponsored Schemes, the State Government have also been requested to formulate specific programmes under the respective State Plans and earmark specific provisions for economic upliftment of the backward classes and areas during the Fifth Plan period, particularly with a view to removing the economic disparities among different communities.

[No. 6-8/72-TDP]

[Ministry of Agriculture (Department of Agriculture) O. M.
No. 2-2/73-Budget dated 9-11-1973]

Recommendation (S. No. 121, Para 6.23)

The Committee are greatly concerned at the halting progress made in implementation of the programme for tribal development and they feel that the whole scheme should be examined by experts in consultation with local leaders and persons who are well-versed in tribal affairs in order to pin-point the difficulties which are coming in the way of implementation of the programme.

Reply of Government

The six TDA Projects under the Central Sector started operating from March, 1972. At the time of the Committee's review|visits the Projects were in fact in their infancy. These organisations have to overcome their initial teething troubles.

2. The TDA Projects in Srikakulam (AP), Singhbhum (Bihar), Ganjam and Koraput (Orissa) have largely overcome their initial difficulties and are making satisfactory progress. The progress made by the Tribal Development Projects in the Bastar District (MP) has been initially slow due to delay in posting of the required staff. These two projects also have since gathered momentum. The State Governments concerned have been advised to take necessary steps and pay special attention so that the programmes are implemented smoothly in the Project areas.

3. The progress of implementation of programmes by the different TDA Projects is constantly under review at various levels. Steps are already being taken to identify and remove the difficulties. The Governing Bodies of the Agencies which have been reviewing the activities of the Projects, consist of not only officials but also technical experts and the local leaders like M.L.As. and M.Ps. Recently, the M. Ps from States having sizeable tribal population were by the Union Minister of Agriculture to a meeting on 7-9-73, when problems confronting the tribals were discussed in details

and many useful suggestions were made in regard to measures to be taken to uplift the economic conditions of the tribals. All possible steps are being taken to associate the local leaders and persons well-versed with the tribal affairs in the implementation of the programmes.

[No. 6-8/73-TDP]

[Ministry of Agriculture (Department of Agriculture) O. M.
No. 2-2/73-Budget dated 9-11-1973]

Recommendation (S. No. 122, Para 6.24)

The Committee would also suggest that the desirability of evolving a package programme for development of agriculture and other ancillaries in tribal areas should be evolved after thorough survey of the potentiality of the area. The facilities required for implementation of the package programme such as improved seeds, fertilisers, assured water supply, etc., should be made available to the farmers in a manner which would make the programme acceptable and capable of implementation.

Reply of Government

The recommendation has been noted and has also been brought to the notice of the State Governments and the TDA Project authorities. It may, however, be stated that the Core Programme of economic development undertaken by the TDA Projects provides for suitable facilities for the supply of necessary inputs such as improved seeds, fertilisers, pesticides, irrigation, water etc. Inputs like improved seeds, fertilisers and pesticides are procured through the State Governments concerned. Supply of water is ensured by implementation of the minor irrigation schemes which include construction of irrigation channels, dug-wells, sinking of tubewells, supply of pumps and construction of other water harvesting structures.

2. Our approach to the problems of tribal area development is somewhat cautious and is according to the needs and response of the area. There is a wide gap between the knowledge of improved agricultural technology available elsewhere in the country and that inherited by the tribal people. Adoption of improved agricultural practices in the tribal areas will be initially slow and gradual. Members of technical staff attached to the TDA Projects undertake surveys and assess the potentialities of an area before the agricultural programmes are implemented there. The agricultural and

land settlement programmes are being taken up on package basis in the TDA Projects.

[No. 6-8/72-TDP]

[Ministry of Agriculture (Department of Agriculture) O. M.
No. 2-2/73-Budget dated 9-11-1973]

Recommendation (S. No. 123, Para 6.25)

The Committee would also suggest that local tribal leaders who command respect in the area may be taken on tour to developed areas either in the State or elsewhere which would raise their horizon and make them receptive to new ideas. In particular, the Committee would suggest that visit of the tribal leaders may be arranged to research and extension centres so that they can see themselves the potentiality and relevance of the technological advance made in agriculture for application to their own area. The Committee have no doubt that if earnest efforts are made at all levels to understand the problems facing the tribal areas and evolve a realistic programme suited to their requirements, it should be possible to make a significant impact in the area with the willing cooperation of tribals for the implementation of the programme in letter and spirit in the interest of economic development.

Reply of Government

The recommendation has been noted and brought to the notice of the State Governments and the Projects. The TDA Projects have been associating local tribal leaders with their various programmes. In fact the Governing Bodies of the Projects includes, among others, tribal M. L. As. and M. Ps. Deserving tribal leaders are also being included in the programmes. Schemes have been drawn up or are being drawn up by the TDA Projects to organise tours for tribal leaders and cultivators to take them to different demonstration fields so as to raise their horizon and make them receptive to new ideas and improved agricultural technology. Earnest efforts are being made to understand the problems facing the tribals and steps are being taken to evolve realistic programmes suited to their requirements.

[No. 6-8/72-TDP]

[Ministry of Agriculture (Department of Agriculture) O. M.
No. 2-2/73-Budget dated 9-11-1973]

Recommendation (S. No. 124, Para 6.29)

The Committee note that 20,689 and 10,541 hectares of surplus land is available in Dantewada and Konta Tehsils respectively which can be used for cultivation. The Committee further note that this surplus land is under encroachment by tribals as well as non-tribals at present. The State Government has not indicated the precise steps which are being taken to get the land vacated from unauthorised occupants. The Committee trust that the State Government will take necessary action to get the land released so that the surplus cultivable land can be utilised for settlement of landless agricultural labourers living in these project areas.

Reply of Government

This recommendation has been brought to the notice of the State Government of Madhya Pradesh in April, 1973 and it has been reported by the Tribal Development Agency Project at Dantewada and Konta that the State Government has initiated necessary action to get the surplus cultivable land released for settlement of landless agricultural labourers living in these project areas.

[No. 6-8/72-TDP]

[Ministry of Agriculture (Department of Agriculture) O. M. No. 2-2/73-Budget dated 9-11-1973]

Recommendations (S. Nos. 125 and 126, Para 6.32 & 6.33)

The Committee are not happy about the slow pace of rural electrification in the tribal areas of Bastar district in Madhya Pradesh. It is regrettable that out of 3,000 villages in Bastar district only 117 have been electrified and Rural Electrification Corporation have not sanctioned any scheme so far in Bastar district. The Committee need hardly stress that for the economic betterment of the tribal population it is of paramount importance that electricity is made available even to the remotest village in the backward areas as otherwise the irrigation facilities can never be extended to them for increasing agricultural production.

The Committee, therefore, suggest that there should be special emphasis on rural electrification so far as the six pilot projects for tribal development are concerned. The Committee hope that as in the case of Dantewada and Konta projects, provision has been made out of the Project Budget for extension of subsidiary

lines for lift irrigation and rural electrification, similar Budgetary provision will also be made in other projects under the scheme of Tribal Development.

Reply of Government

This recommendation was brought to the notice of the Ministry of Irrigation & Power and the Rural Electrification Corporation, as also to the State Governments and the Projects.

2. The Core programme which is being implemented for economic development of the tribal areas, lays emphasis on rural electrification. Particularly in the two Project areas of Dantewada and Konta in Bastar district, financial assistance to the tune of Rs. 15 lakhs and Rs. 10 lakhs respectively have been provided out of the project funds. Similar provisions of financial assistance can also be made in connection with electrification schemes in other Project areas out of the respective project funds if necessity arises.

3. Bastar is one of the largest districts in Madhya Pradesh consisting of 3,240 villages of which 126 villages have already been electrified as on 31-3-73. The slow progress of electrification in Bastar is mainly due to the fact that most of the villages are sparsely populated and the inhabitants are economically weak. The two tehsils of Dantewada and Konta in particular are inhabited mostly by weaker sections of the tribal population. The response, therefore, from the people for electrification has not been encouraging so far and the scope of normal economically viable schemes is also limited.

4. In 1972-73, the Madhya Pradesh State Electricity Board decided that the backward districts like Bastar should be given preference for energisation of pumpsets. Though the target to energise 207 pumpsets was fixed for Bastar, the response was limited to 124 cultivators only. At present, however, four schemes of rural electrification submitted by the State Electricity Board for (i) Sukma Tribal Block, (ii) Bhopal Patham Block, (iii) Konta Tehsil and (iv) Dantewada Tehsil are receiving attention of the Corporation and State Government. To encourage the rural people to obtain power connections, the Rural Electrification Corporation has introduced a loan scheme on concessional terms. The Corporation has since sanctioned a scheme envisaging loan assistance to the tune of Rs. 51.77 lakhs.

5. The Planning Commission is also working out the 'minimum needs programme' for the country. Under this programme it is en-

visaged to extend electricity to cover 30-40 per cent of rural population in each State by the end of Fifth Plan. While formulating the programmes, the State Governments have been advised to identify the weaker sections of the population and formulate the plan in such a way that the resources are deployed to extend the benefits of electricity to such sections as well. The Government of Madhya Pradesh have informed that they have included in this programme a scheme costing Rs. 13.06 crores for electrification of 300 villages in all the tehsils of Bastar district covering about 30 per cent of the total rural population of this district.

6. Meanwhile in a meeting of the "Sanctioning Committee" for the Tribal Development Agency Projects held on the 30th April and the 1st May, 1973, it was agreed in principle that the Capital cost involved in the rural electrification scheme for Dantewada and Konta Projects in Bastar District (MP) would be borne by the State Government, the State Electricity Board and the two Tribal Development Agencies in the ratio of 1:1:1. The total financial commitment of the two Tribal Development Agencies will not exceed Rs. 15 lakhs/Rs. 10 lakhs respectively. The funds of the Agencies would be utilised for taking LT lines nearer to fields of tribal farmers for energisation of pumping sets etc. so that it has some impact on the agricultural production in the area as also for rural industries dependant on power.

[No. 6-8/72-TDP]

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 9-11-1973]

Recommendations (S. Nos. 127 & 128, Paras 6.38 & 6.39)

The Committee note that the total cropped area in Dantewada and Konta project is 376,444 acres out of which 228,999 acres are under paddy cultivation. The 'Action Plan' for these projects envisages a coverage of 60 per cent of paddy fields by improved seed and application of fertilisers and pesticides during a 3 year period. The Committee further note that during Kharif 1972, 808 acres only were brought under improved seeds in these two projects which works out to only 0.4 per cent of the total area under paddy cultivation.

The Committee regret that the progress of the scheme is quite negligible and they have their own doubts if the target of bringing 60 per cent of paddy fields under improved seeds and application of fertilisers and pesticides would materialise even 3 years

after the commencement of the scheme. The Committee need hardly stress that the target fixed for any plan should be realistic which is capable of being achieved. The Committee are also aware that the farmers in the backward areas have always shown reluctance to take to improved farming techniques and to educate them about the efficacy and utility of new cropping patterns on scientific lines, a lot of sustained extension work is called for. The Committee trust that the State Governments will pay due attention to this aspect in the interest of successful implementation of the scheme.

Reply of Government

The recommendation has been brought to the notice of the State Government and the Projects concerned.

2. While preparing the revised Action Plan by the TDA Projects, care has been taken to fix the targets on a realistic basis. The progress of the two Projects in Bastar, viz. Dantewada and Konta had been comparatively slow. Steps have, however, been taken to invigorate these two projects so that they can catch up with the other TDA Projects. Kharif cultivation of 1972, referred to by the Committee was in fact that first year of the schemes under the two TDA Projects. The latest report, however, shows that the coverage under improved seeds has been raised to 1,200 acres in Dantewada and 1,340 acres in Konta. In addition, the TDA at Dantewada has since organised 1,439 demonstrations under Paddy Minikit programme and TDA, Konta has organised kharif paddy cultivation demonstrations on 138 acres of land.

3. These Projects, though initially were slow, are gradually catching up in implementing the programmes. Efforts are being intensified so as to educate the tribals about the efficacy and utility of improved agricultural practices through demonstrations. For this purpose the extension machinery in the district level is being geared up. It is hoped that a higher percentage of production would be achieved in future.

No. 6-8/72-TDP

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 9-11-1973]

Recommendations (S. Nos. 129 & 130, Paras 6.43 & 6.44)

The Committee note that in Ganjam Tribal Development Project out of 11,519 acres of waste land, 8,073 acres of land is available for reclamation. At present 3,000 acres of waste land are pro-

posed to be reclaimed for settlement of tribals. Reclamation work over a patch of 1,022 acres of waste land has already commenced and 150 acres has been reclaimed so far which can be used for settling 50 tribal families.

The Committee hope that earnest efforts will be made by the Tribal Development Agency to reclaim all the 3,000 acres of waste land so that 1,000 tribal families can be settled on the land by the end of the Fourth Plan. As 5073 acres of additional waste land would still be available for reclamation, the Agency should make concerned efforts to reclaim it during the Fifth Plan period in the light of the decisions taken by Government that these Projects would continue to operate for the first three years of the Fifth Plan.

Reply of Government

The recommendation has been brought to the notice of the State Government and the Project. The TDA Project Ganjam has already initiated action in that direction. The Project has already reclaimed about 775 acres of which 314 acres have been allotted to 157 tribal families and another 123 acres are being allotted to 65 tribal families. In addition reclamation of 2,200 acres of private land is in progress. Plans and estimates for reclamation of a further 1,200 acres of Government waste land are under technical scrutiny. Efforts are being made to accelerate the progress of land reclamation and development work through mechanised process. The Project intends to reclaim all the available waste land during the project period subject to availability of funds.

No. 6-8/73-TDP

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973]

Recommendations (S. Nos. 131 & 132, Paras 6.48 & 6.49)

The Committee note that in Singhbhum Tribal Development Agency Project there is a provision of Rs. 40 lakhs for minor irrigation works and Rs. 50,000 for construction of channels. The Agency can subsidise big diameter wells up to 75 per cent of the cost. So far, 4 big diameter wells have been constructed in the Project area with Agency's assistance and agreement for construction of 40 more wells are being executed. The big diameter wells are also proposed to be fitted with pumping sets.

The Committee hope that the Tribal Development Agency will not only assist the construction of big diameter wells fitted with pumping sets but also help in the execution of other minor irrigation works like storage tanks etc. The Committee also suggest that construction of channels for which Rs. 50,000 are already earmarked should be completed early.

Reply of Government

The State Government and the TDA Project Singhbhum, have been advised in the matter. Under Minor Irrigation Programme, the Project authorities have already taken up construction of 218 big diameter irrigation wells. Construction of 19 wells has been completed and that remaining wells are in advanced stages of construction. But due to non-availability of cement in adequate quantity the masonry work in these wells is not progressing as expected.

2. The Project authorities have also taken up construction of 7 irrigation tanks of which 1 has been completed. In addition it is proposed to assist in the construction of ahars, bunds, etc. Construction of channels for which an amount of Rs. 50,000 has been earmarked is to be executed through the State Water Ways Department. The State Government have been requested to complete the work as quickly as possible.

No. 6-8/72-TDP

[Ministry of Agriculture (Department of Agriculture) O.M.
No. 2-2/73-Budget dated 9-11-1973]

Recommendations (S. Nos. 133 & 134, Para 6.50 & 6.51)

The Committee further note that in Singhbhum district about 75 villages have been electrified and the State Electricity Board has furnished a scheme to electrify another 99 villages in the Project area and the scheme is at present under consideration of the Rural Electrification Corporation.

The Committee need hardly stress that unless electricity is provided to the villages in the Project area the tribal people who are predominantly agriculturists will not profit by the minor irrigation works which may be set up in the area through the efforts of Tribal Development Agency.

Reply of Government

The TDA Project, Singhbhum, the State Government and the Rural Electrification Corporation have been approached on this

issue. The rural electrification programme has been receiving attention from them for expediting electrification schemes in the rural areas. The Rural Electrification Corporation has already sanctioned a scheme for Singhbhum in January, 1973 for electrification of 99 villages of Sonua, Bandgaon, Kartarpur and Kuchai Blocks and has released the first instalment of loan of Rs. 16.76 lakhs for the execution of the same. Electrification works in 20 villages in the Bandgaon, Chakradharpur and Sonua blocks have been taken up and the matter is being followed up regularly.

2. The "Sanctioning Committee" for the TDA Project agreed to an initial provision of Rs. 2 lakh from Agency funds for being utilised for service connections to tribal farmers in the Singhbhum Project area. It was agreed that 75 per cent subsidy not exceeding Rs. 300/- per family would be given to the identified tribal farmers for taking electric connection for big diameter irrigation wells. Similar subsidy at 75 per cent not exceeding Rs. 300/- per family, would also be given out of the Agency funds to enable the tribal beneficiaries to take up rural industries dependent on power.

No. 6-8/72-TDP.

[Ministry of Agriculture (Department of Agriculture) O.M.
No. 2-2/73-Budget dated 9-11-1973]

Recommendation (S. No. 135, Para 6.52)

The Committee, therefore, feel that the proposal submitted by the State Electricity Board for electrifying 99 villages in the Project area deserves immediate attention of the Rural Electrification Corporation. The Committee hope that the Scheme of Rural electrification will be implemented soon so that the funds expended by the Agency in setting up big diameter wells and other minor irrigation works would prove beneficial to the tribal economy.

Reply of Government

Attention of the Rural Electrification Corporation has already been drawn to this recommendation and it has been asked to expedite electrification of the villages concerned. The scheme sanctioned by the Rural Electrification Corporation in January, 1973 envisages loan assistance of Rs. 42.65 lakhs for electrification of 99 villages, energisation of 325 pumpsets/tubewells, power supply to 422 small scale and agro-based industries and 750 domestic connections in the four blocks of Sonus, Bandgaon, Chakradharpur and Kuchai of Singhbhum District. The scheme is phased for completion in a period of five years. Since the scheme relates to specially under-developed

tribal areas, the Rural Electrification Corporation has relaxed the norms of viability and liberalised the terms and conditions in respect of interest and repayment of loan. The Corporation has already sanctioned the release of first instalment of loan of Rs. 16.76 lakhs for execution of the scheme and the work has been taken up for electrifying 20 villages in the Sonua, Bandgaon, and Chakradharpur blocks. This is being followed up regularly for early completion.

No. 6-8|72-TDP.

[Ministry of Agriculture (Department of Agriculture) O.M.
No. 2-2|73-Budget dated 9-11-1973]

CHAPTER III

RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF GOVERNMENT'S REPLY

Recommendation (S. No. 8, Para 1.32)

The Committee note that the Fourth Five Year Plan has already drawn attention to the need of distribution of surplus land to landless agricultural workers on a systematic basis. Although land reform including distribution of Government waste land and surplus land is a State Subject, the Government of India has suggested time and again to the State Governments for speedy and effective implementation of land reforms and for quick distribution of surplus land to the landless agricultural labourers giving priority to members of Scheduled Castes and Scheduled Tribes. The Committee further note that the process of re-distribution of land has accentuated fragmentation of land. On the one hand attempts are being made to raise the economic standard of small and marginal farmers through SFDA/MFAL schemes on the other, land allotted by Government is creating new farming units which are not of economic size.

Reply of Government

While the likelihood of accentuation of fragmentation taking place as a result of effective distribution of surplus land among landless agricultural labourers cannot be ruled out, the extent of surplus land that has already been distributed is too small to materially affect the overall trend already established.

Deptt. of Agri. No. 11-35/73-LRD dt. 22-9-73.

[Ministry of Agriculture (Department of Agriculture) O.M.
No. 2-2/73-Budget dated 27-10-1973]

Recommendation (S. No. 9, Para 1.33)

The Committee feel deeply concerned about the problem of fragmentation of land. They suggest the Central Government should impress upon the State Governments the desirability of taking expeditious steps to discourage fragmentation of land and to ensure that viable and economic sized plots are initially allotted to landless population on a systematic basis. The Government of India should also impress

upon the State Governments to enact suitable legislation to prevent fragmentation of land wherever it has not been done so far.

Reply of Government

The Central Government as well as the State Governments are alive to the problem of fragmentation of landholdings. A large number of States have already enacted legislation prohibiting fragmentation below a specified minimum size. It has, however, not been possible to effectively implement these legislations for certain obvious reasons. In a country where roughly 70 per cent of the population subsist on agriculture and the pressure of population on land is ever increasing without any appreciable growth of alternative sectors of the economy that can absorb this population, fragmentation of land holdings appears to be an unavoidable process thanks to partition, inheritance etc. Unless the other sectors of the economy register a very fast rate of growth so as to absorb at least the increasing population, it is difficult to see how by mere enactment of legislation the process of fragmentation can be arrested. The number of landless persons and persons having landholdings of smaller than economic size is so large and the availability of surplus land so limited that it does not appear practicable to distribute surplus land in economic-sized plots only.

Deptt. of Agri. No. 11-35/73-LRD dt. 22.9.73.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27.10.1973]

(Recommendation (Sl. No. 38, Para 1.123)

The Committee having taken note of the fact that the credit limits sanctioned by the Reserve Bank of India to the District Cooperative Central Banks are generally far below the requirements of the Agencies' programme of loaning, suggest, that the problem should be studied by the Reserve Bank with a view to devise such procedures that District Cooperative Central Banks in SFDA/MFAL areas are provided adequate credit limits commensurate with the requirements of the Agencies loaning programmes.

Reply of Government

The Reserve Bank of India is of the view that requirements of the Agencies lending programme have in several cases been mechanically computed by merely multiplying the number of identified farmers and acreages held by them by the permissible scales of finance

without ensuring that the farmers identified have been admitted as members of Cooperatives. The R. B. I. has been liberal in sanctioning credit limits on behalf of the Central Cooperative Banks operating in the SFDA|MFAL districts, the banks have on the contrary, not been able to utilise the sanctioned limits fully. Of the 85 Banks sanctioned short term credit limits in 1972-73, only 11 were able to utilise the credit limits fully and as many as 13 banks drew less than 50 per cent of the sanctioned limits. The utilisation in the case of other banks also was not very satisfactory.

While assessing short term credit requirements, the R. B. I. has been advising the central banks to indicate their requirements separately for financing small and marginal farmers since 1971-72 the Bank has been insisting that at least 20 per cent of the borrowings of the bank from the State Cooperative Bank should be covered by advances to small and marginal farmers, but as many as 28 lakhs out of the 92 Central|State Cooperative banks operating in the SFDA|MFAL areas have not satisfied even this stipulation during 1972-73. The Reserve Bank has also been liberal in the sanction of medium term credit limits and applications of banks having medium term overdues over 50 per cent, which are normally not considered eligible for sanction, are being considered provided the limit is intended to be utilised for financing small|marginal farmers identified by the SFDA|MFAL Agencies. In these areas the purposes like land improvement, reclamation, etc., are also reckoned as "identifiable" purposes.

No. 28-1/73-Agri. Cr:

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-73].

Recommendation (Sl. No. 40, Para 1.125)

The Committee are of the view that the possibility of introducing "crop insurance scheme" for the benefit of the marginal farmers might be examined by Government and a decision should be taken in the matter early.

Reply of Government

The scheme for Crop Insurance has been examined with regard to the economic, administrative and actuarial implications by an Expert Committee on Crop Insurance and the Committee has come to the conclusion that in the conditions obtaining in the country, it would not be advisable to introduce the scheme at any rate in the near future on a pilot or experimental basis. However it is being considered that the scheme may be implemented for selected crops

in selected areas on a voluntary basis on the similar pattern as in the case of Hybrid 4 Cotton in Baroda District being processed by the Gujarat State Fertiliser Corporation. The matter is being taken up with the State Governments accordingly.

No. 28-1/73-Agri. Cr.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (Sl. No. 82, Para 4.13)

The Committee feel concerned that the projects relating to agricultural production should have been given such a low priority by the State Governments and 81 per cent of the total expenditure during 1971—73 should have been on "Construction of roads". As agriculture is the backbone of rural economy, rural projects relating to agricultural production should have received higher priority.

Reply of Government

Since road construction involves greater expenditure on material than the construction of other categories of works permitted under the CSRE, an inbuilt provision for securing a judicious "Project Mix" exists in the CSRE Guidelines in the form of a ceiling on the expenditure to be incurred on materials. In this connection, paras 5.1 to 5.5 of the CSRE Guidelines are relevant and are reproduced below:—

- 5.1. As has been emphasised previously on the one hand, there is the need to generate employment for rural people and, on the other, there is the equally important need to ensure that the fruit of their labour is durable and it assists the development of the districts. The fulfilment of the latter need necessarily means that to human labour must be added material, equipment etc. The important question therefore is what should be the apportionment of funds between labour and material. Two factors need to be kept in view. First, it is found that there is a number of projects like soil conservation, afforestation, minor irrigation etc., in which the cost of material etc., does not exceed 20 per cent of the total cost. At the same time there are other projects like roads diversion weirs irrigation works, involving masonry, etc., which call for greater expenditure on material, equipment etc. In such projects anything upto 40 per cent of the total cost will have

to be reserved for material equipment etc. Secondly, the all round development of a district will demand a mixture of various projects. Adoption of, say, road building projects alone or soil conservation projects alone will not be adequate.

- 5.2. Regard being had to all the factors mentioned above and in particular to the two distinct needs of generating employment and promoting all round, balanced development, it is found that the best thing will be to undertake projects within two broad categories. Within the first category will fall projects in which the cost of material, equipment etc., does not exceed 20 per cent of the total cost. In the second category will fall projects in which the cost of material etc., exceeds 20 per cent but does not exceed 40 per cent, of the total cost. The number of projects in the latter category in any district should however be such that their total cost does not exceed 50 per cent of the total allocation of funds made in favour of the district.
- 5.3. If funds are allotted equally to the two categories of projects referred to above and the ratios of 80:20 and 60:40 adopted for them, it will be found that the ratio between the total expenditure on labour and the total expenditure on material etc, will be 70:30.
- 5.4. The upper limits of labour and material ratios of 80:20 and 60:40 for the two halves of the programme undertaken in a district shall apply to every project individually. This condition has been laid down with a view to ensuring that every project gets its legitimate share of materials, equipment, etc., for making it durable. It follows that if the nature and dimensions of any one project are such that its execution will spread over a period of two years the appropriate ratio limit will apply to the total estimate of the project and not merely to the portion of expenditure planned for any one year. However, in the interest of maximising the number of man days in every year it is desirable that the projects are so chosen and the programme of execution so determined as to ensure that overall amounts spent on the wage component does not fall substantially below 70 per cent of the year's allocation.

5.5. The principle enunciated in paragraph 5.2 read with paragraph 5.3 is subject to the exception that if in any district the cost of creating the requisite quantum of employment (*viz.*, 2.5 lakh mandays for every Rs. 12.50 lakhs) is less than 70 per cent of the sum allotted to the district, then if necessary (in the interest of durability of assets), after the requisite quantum of employment has been created and its cost defrayed, the entire balance available from the allotted sum of money may be devoted to material, equipment etc. It follows, therefore, that the total expenditure on material, equipment etc., will to the extent possible exceed 30 per cent of the total cost of all projects and the number of projects in the second category mentioned in para 5.3 may be correspondingly greater than that prescribed.

2. Subject to the conditions mentioned above, the discretion in the selection of projects has been left to the State Governments, for they are the best judges of their needs. The State Governments have shown a marked preference for taking up rural roads under the CSRE and some of them have provided funds from their own resources to augment the material component, which is so very necessary for making the roads durable.

3. The question of the predominance of road works under the CSRE came up for discussion at the CSRE Seminar held in February, 1973. It was the unanimous view of the State representatives that their crying need was rural roads, without which development cannot take place. They underlined the fact that facilities of raising funds for other categories of works were available from institutions like the Agricultural Refinance Corporation, the Land Development Banks, etc., but no such funds were available for construction of rural areas.

4. It is felt that in the context of the development needs of rural India, rural roads do have a place of high priority. The approach to the Fifth Plan lists certain essential minimum needs which have got to be fulfilled. One of such needs mentioned is rural roads.

Therefore, rural roads occupy a place of conspicuous importance for overall rural development. They provide the mobility needed for moving the production inputs to the farms and for transporting the resultant produce to the centres of consumption.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973]

Recommendation (S. No. 84, Para 4.15)

The Committee is equally concerned to note that there is no clear indication in the data furnished by the Ministry regarding expenditure incurred on construction of classrooms for primary schools although it is one of the items mentioned in the schemes. The Committee, therefore, recommended that construction of classrooms for primary schools in the villages should receive higher priority under the Crash Scheme for Rural Employment. Besides serving the dual purpose of creating employment opportunities as well as production of durable assets it will serve the purpose of providing educational facilities for children in the villages.

Reply of Government

Projects like construction of classrooms should not ordinarily be permissible under the CSRE because of their high material component. However in April, 1972, in view of the importance of the primary education, the State Governments were given the discretion to treat the construction of school rooms as any other item under the scheme, provided that the overall target for the generation of employment remained unaffected.

The States are likely to give higher preference to schemes for agricultural production and roads under the CSRE. Primary education is undoubtedly important, but the CSRE has not been designed primarily for it. The objectives of the CSRE are different. A separate scheme for Primary Education is called for.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 85, Para 4.16)

The Committee feel that as the entire funds for the scheme are provided by the Central Government it is but appropriate that limits of expenditure which may be incurred on projects of various kinds may be laid down for the guidance of the State Governments.

Reply of Government

Under the Guidelines formulated by the Government of India the projects to be taken up have been divided into two broad categories. Within the first category fall projects in which cost of material equipment, etc., does not exceed 20 per cent of the total cost. in the second category fall projects in which the cost of

matrial etc., exceeds 20 per cent but does not exceed 40 per cent of the total cost. The number of projects in the latter category in any district has to be such that their total cost does not exceed 50 per cent of the total allocation of funds made in favour of the district.

It is felt that beyond this it will not be advisable to have limits of expenditure on each kind of project. The reasons for this are:—

- (i) The needs of different areas within the State, or for that matter within the District, for various kinds of projects would be different. Therefore, the State Government are the best judge of which kind of projects need to be taken up in each area. Laying down limits of expenditure on each project by the Government of India would inject an element of rigidity in the pattern and this would not be desirable. The limits as laid down at present in the Guidelines are considered to be adequate at the same time they provide an element of flexibility which is very desirable.
- (ii) Many of the State Governments have drawn up their projects on two or three years basis. The scheme is now in the last year and a change now does not appear practicable.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Recommendation (S. No. 86, Para 4.17)

The Committee need hardly point out that the Crash Scheme for Rural Employment is largely based on the experience that had been gathered in the earlier Plan period in the implementation of the Rural Works Programme. The Committee regret to have to point out that the lessons of implementation of the Rural Works Programme have not been borne in view while working out the Crash Scheme for Rural Employment. The essence of the matter is that there should be a detailed planning in each area so that labour intensive schemes for generating employment are taken up in building up assets which would be of a lasting value. While the Committee agree that roads provide an essential infrastructure for communication, they are unable to appreciate why as much as 81 per cent of the outlay should be devoted to the construction of roads. This, however, is not synonymous with the building up of permanent assets which would have the effect of regenerating the economy and creating greater employment opportunities.

Reply of Government

The Estimates Committee have observed that—(a) there is lack of detailed planning in each area for building up assets of a lasting value and (b) only a small amount is spent on schemes which relate directly to increased agricultural production.

As regards lack of detailed planning, it may be observed that our Guidelines are comprehensive enough in the interest of detailed planning, consistently with the need for allowing flexibility to the State Governments in the matter of taking up the various categories of projects under the CSRE. In this connection attention is also invited to comments given in reply to recommendation at S. No. 85 para 4.16. Works are executed not by the Central Government directly but by the State Governments. Therefore, there can be no detailed planning of works by the Central Government. The works taken up the State Government are those that feature in the District Plans.

Regarding large outlay on roads, the comments given in reply to recommendation at S. No. 82 para 4.13 may please be seen.

[Ministry of Agriculture (Department of Agriculture) O.M. No.
2-2/73-Budget dated 27-10-1973].

Recommendations (S. Nos. 112, 113, and 114, Paras 5.41, 5.42 and 5.43)

The Committee note that a proposal is currently under consideration of the Ministry of Agriculture to place a revolving fund at the disposal of Agro-Industries Corporations to enable them to disburse loans at the rate of Rs. 70,000 per trained entrepreneur to cover the limited period between the completion of the training and the sanction of the loan by the Commercial Bank.

The Committee trust that Government will take a decision in the matter early so that money is provided to the Agro-Industries Corporations for disbursement among the trained entrepreneurs for setting up Agro-Service Centres.

The Committee need hardly stress that as the payments to be made from the proposed revolving fund will be for a limited period the procedure for recovery of the loan amount will have to be streamlined in order that the money is recovered from the entrepreneur as soon as it falls due. If arrears are allowed to accumulate then the whole purpose of having a revolving fund is likely to be defeated.

Reply of Government

The procedures regarding the grant of loans by the Banking Institutions have since been streamlined to a large extent in view of the assurance given by the Commercial Banks for financing the entrepreneurs of Agro-Service Centres expeditiously, it has been decided to defer the proposal for placing revolving fund at the disposal of Agro-Industries Corporation for the present.

File No. 12-55/72-My (AI).

Comments of the Committee

The Ministry may keep a careful watch over the grant of loans by the Commercial Banks to the entrepreneurs of Agro-Service Centres. In case there is delay in disbursement of loans by the banks, the Ministry may consider reviving the proposal for placing a revolving fund at the disposal of Agro-Industries Corporations.

CHAPTER IV

**RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF
GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE
COMMITTEE**

NIL

CHAPTER V

RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT ARE STILL AWAITED

Recommendation (S. No. 78, Para 3.40)

The Committee need hardly stress that long-term/medium-term loans should continue to be provided by Government even beyond the year 1973-74 so that the small farmers, marginal farmers and agricultural labour, who have taken to improved practices, do not lose the impetus till the position gets consolidated. The Committee feel that the Central Government in conjunction with the State Governments should see that a systematic and sustained effort is made to ensure that the requisite long-term/medium-term loans become available to the small farmers, marginal farmers and agricultural labour through either commercial banks or cooperative societies by a suitable institutional mechanism. It need hardly be pointed out that where such commercial banks and cooperative societies do not exist, special efforts should be made to encourage their establishment, so that they could act as the service agency for providing this essential credit facility.

Reply of Government

The nature and approach of Integrated Dry Land Agricultural Development Projects in the Fifth Plan has not so far been finalized except that the existing 24 projects will continue for a couple of years in the Fifth Plan as a spill over from the Fourth Plan. Stress is, however, proposed to be laid on arranging credit facilities through institutional sources like cooperative and commercial banks. The project staff will help in preparing the financial requirements of individual farmers by taking into account the various programmes to be undertaken. Risk fund will also continue to be provided in order to safeguard against the losses of cooperative banks in case of non-payment by some of the farmers. In case the State Governments fail to get the desired credit through institutional sources the Government of India may consider providing long/medium-term loans if financial resources permit.

F. No. 13(52)/72-CUIII (Vol. II).

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Comments of the Committee

The Committee may be apprised of the final position whether long/medium term loans are to be provided by the State Governments through institutional sources. If not, what action has been taken by the Central Government to provide loans beyond 1973-74.

Recommendation (S. No. 98, Para 4.49)

The Committee would suggest that Government should bring out a white paper containing full details of the various programmes devised by them to generate employment indicating details of various durable assets being created.

*Reply of Government

The said recommendation relates to bringing out of White Paper on the various programmes undertaken by Government to generate employment and the programme as a whole is the concern of the Planning Commission. That Commission have therefore been requested to send necessary action taken note direct to the Lok Sabha Secretariat.

[Ministry of Agriculture (Department of Agriculture) O.M. No. 2-2/73-Budget dated 27-10-1973].

Comments of the Committee

The Committee are surprised to note that even after a lapse of six months Government have not been able to take any concrete action to bring out a White Paper as per the recommendation of the Committee. The Committee would, therefore, desire the Ministry of Agriculture to take suitable action to implement the recommendation in consultation with the Planning Commission.

R. K. SINHA,
Chairman,
Estimates Committee.

NEW DELHI;

February 16, 1974.

Magha 27, 1895 (Saka)

*After sending the factual verification on 14-1-1974, the Ministry has informed that Government of India has accepted the recommendation in principle and all efforts would be made to have the White Paper printed and brought out during the Budget Session of Parliament.

APPENDIX

Analysis of the action taken by Government on the recommendations contained in Thirty-Sixth Report of the Estimates Committee (Fifth Lok Sabha)

1. Total No. of recommendations	135
2. Recommendations which have been accepted by Government (<i>vide</i> Recommendation Nos. 1, 2, 3, 4, 5, 6, 7, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 39, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 79, 80, 81, 83, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134 and 135)	
Number	122
Percentage to Total	90·4%
3. Recommendations which the Committee do not desire to pursue in view of the Government's reply (<i>vide</i> Recommendation Nos. 8, 9, 38, 40, 82, 84, 85, 86, 112, 113 and 114).	
Number	11
Percentage to Total	8·1
4. Recommendations in respect of which final replies of Government are still awaited (<i>vide</i> Recommendation Nos. 38 and 98).	
Number	
Percentage to Total	1·5%