

**PUBLIC ACCOUNTS COMMITTEE**  
**( 1975-76 )**

**HUNDRED AND EIGHTY-FIRST REPORT**

**EMERGENCY AGRICULTURAL PRODUCTION  
PROGRAMME**

**DEPARTMENT OF AGRICULTURE**

[Supplementary Report of the Comptroller & Auditor  
General of India for 1972-73, Union Government  
(Civil)]



**LOK SABHA SECRETARIAT**  
**NEW DELHI**

*September, 1975/Bhadra, 1897(S)*

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PART II\*

Minutes of the Sitzings of the Committee held on

30-10-1974

&

1-11-1974 (FN)

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\*Not printed.

**PUBLIC ACCOUNTS COMMITTEE**  
(1975-76)

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**Shri Avtar Singh Rikhy—Additional Secretary.**

**Shri H. G. Paranjape—Chief Financial Committee Officer.**

**Shri N. Sunder Rajan—Senior Financial Committee Officer.**

## INTRODUCTION

I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Hundred and Eighty-First Report (Fifth Lok Sabha) on Emergency Agricultural Production Programme—Supplementary Report of the Comptroller and Auditor General of India for 1972-73, Union Government (Civil).

2. The Supplementary Report of the Comptroller & Auditor General of India for the year 1972-73, Union Government (Civil) was laid on the Table of the House on 8th August, 1974. The Public Accounts Committee (1974-75) examined the Audit Report relating to E.A.P.P. at their sittings held on 31st October and 1st November, 1974. The Public Accounts Committee (1975-76) considered and finalised this Report at their sitting held on 28th August, 1975. Minutes of these sittings form Part II\* of the Report.

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

4. The Committee place on record their appreciation of the commendable work done by the Public Accounts Committee (1974-75) in taking evidence and obtaining information for this Report.

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

6. The Committee would also like to express their thanks to the officers of the Ministry of Agriculture for the cooperation extended by them in giving information to the Committee.

NEW DELHI;  
September 18, 1975.  

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Bhadra 27, 1897 (S).

H. N. MUKERJEE,  
Chairman,  
Public Accounts Committee.

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\*Not printed.

## SECTION 1

### PREAMBLE—DROUGHT IN INDIA IN THE EARLY SEVENTIES

#### Audit Paragraph:

#### *Rainfall in India during the 1972-73 Monsoon*

1.1. The crop-year in India is from July to June. The two main crop seasons are *kharif* and *rabi* corresponding broadly to the periods from end of May to mid-October and mid-October to April. The *kharif* crop coincides more or less with the south-west monsoon. In 1972 the south-west monsoon set in temporarily over south peninsula towards the end of the second week of May causing widespread rain with scattered heavy to very heavy rainfall in Kerala (leading to floods), Karnataka and Tamil Nadu between 11th and 16th May. The monsoon, however, retreated at the end of the third week and revived over Kerala only by 18th June. It covered the entire country outside Jammu and Kashmir by about the end of June. The advance of the monsoon over the south peninsula and north-east India was delayed by about a fortnight, over north peninsula by about 10 days and over east Uttar Pradesh and the central parts of the country by about a week. However, its advance into north-west India was near the normal date of its onset in this area. In the first fortnight of July 1972 the monsoon was generally active in Orissa, Madhya Pradesh, Konkan, Kerala, Gangetic West Bengal, Bihar plateau, U.P., Haryana, Punjab, Gujarat, Vidharbha, Telengana and coastal Karnataka. However, there occurred a "break" in the monsoon during the second half of July which extended upto 4th August and which led to drought conditions in many parts of north India and north peninsula. But as is expected under "break monsoon" conditions, heavy rain was reported in Assam and the adjacent States, sub-Himalayan West Bengal, and in the catchment areas of the Brahmaputra, Teesta and the north Bihar rivers. Subsequent to 4th August, the monsoon was good over many parts of central and north India. However, the monsoon was weak in many parts of the peninsula during the first fortnight and the last week which accentuated the drought in Andhra Pradesh and northern parts of interior Karnataka and Marathawada. September saw good rainfall (including two syclonic storms in Orissa) in south peninsula and many areas of north India includ-

ing those important for the *kharif* crop, i.e., Bihar plains, eastern and western plains of Uttar Pradesh, east Madhya Pradesh, Orissa, West Bengal, Punjab and Haryana. For the crucial weeks between 20th September and 11th October (the "Hatia rains period"), the Bihar plains and plains of eastern and western Uttar Pradesh received 104 mm, 141 mm and 100 mm representing 67.9 per cent, 110.2 per cent and 93 per cent of their normal rainfall. However, rain was generally less in Gujarat and Maharashtra during the month.

1.2. The over-all picture in 1972, therefore, was that while severe drought conditions (i.e., rainfall deficit of 50 per cent or more) existed in Madhya Maharashtra and Marathawada areas of Maharashtra and adjoining areas of Andhra Pradesh, north interior Karnataka, some areas of Rajasthan and in the Kutch and Saurashtra areas of Gujarat, agricultural activity in the rest of the country was interrupted to some extent by the "break" in the monsoon for about three weeks from the middle of July to 4th August.

[Paragraphs 1.01 and 1.02 of the Supplementary Report of the Comptroller & Auditor General of India for the year 1972-73, Union Government (Civil)].

1.3. The Committee desired to be furnished with information about the States which actually suffered from drought during 1970-71, 1971-72 and 1972-73, the contribution of each of those States, on an average, to production of foodgrains during the *kharif* and *rabi* seasons and the actual production of wheat and rice in these States during the three year period. In a written note furnished to the Committee in this regard, the Ministry of Agriculture stated:

"The States affected by drought in the three years are Maharashtra and Orissa in 1970-71, Andhra Pradesh, Maharashtra and Karnataka in 1971-72 and Andhra Pradesh, Assam, Bihar, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Punjab, Rajasthan, Tamil Nadu, U.P. and West Bengal in 1972-73. Besides, a few smaller States like Himachal Pradesh, Kerala, Manipur, Nagaland and Tripura had also been affected to a lesser extent."

1.4. Two statements furnished by the Ministry to the Committee indicating (i) the average production of *kharif* and *rabi* foodgrains in the various drought-affected States and their percentage contribution to the All-India production and (ii) the production of rice and wheat during the three years 1970-71, 1971-72 and 1972-73 are reproduced respectively in Appendices 'A' and 'B'.

## SECTION II

### THE EMERGENCY PROGRAMME—ESTIMATES AND TARGETS

#### Audit Paragraphs:

#### *Formulation of the Emergency Agricultural Production Programme (EAPP).*

2.1. The Ministry of Agriculture considered the agricultural situation arising out of the "break monsoon" conditions during the last fortnight of July and the first four days of August, 1972. Apprehending that the *kharif* foodgrain crop (which accounted for about 60 to 62 per cent of the country's total foodgrain production of 105.17 million tonnes during 1971-72) would be adversely affected by 10-12 million tonnes, the Ministry proposed an emergency agricultural production programme (henceforth EAPP) during the *rabi* 1972-73 season and summer 1973 season to recoup the loss in the *kharif* crop. The principal features of the EAPP, as finally approved by Government early in August 1972, were as follows:

2.2. For the *rabi* 1972-73 and summer 1973 crops, additional production of 15 million tonnes of foodgrains over 1971-72 level was proposed as follows:—

Foodgrain	Million tonnes
Wheat	8.4
Rabi summer rice	3.5
Rabi Jowar	1.1
Gram and other pulses	2.0
	<hr/> 15.0

The increase proposed was approximately 37.5 per cent over the foodgrains produced in the *rabi* and summer season of the previous year.

2.3. The State-wise targets of additional foodgrain production originally envisaged and their relative percentage-wise shares of the

:annual production of the principal food crops are given in Appendix I.

2.4. To achieve the increase in foodgrains production mentioned above it was proposed that (a) the area under wheat would be increased from 19 million hectares (in 1971-72) to 23 million hectares in 1972-73 with 12 million hectares under high-yielding varieties as compared to 7.8 million hectares in 1971-72; (b) summer rice coverage would be increased from 2 million hectares to 3.5 million hectares, particularly in West Bengal, Orissa and the delta areas of Andhra Pradesh and Tamil Nadu; (c) for gram and other pulses a "package of practices" would be introduced over approximately half of the total area under gram in the States involving special measures for fertilizer application (40-50 kilogrammes of phosphate and 10-15 kilogrammes of nitrogen per hectare) and plant protection which, it was hoped, would give additional yields per hectare of upto 75 per cent.

2.5. Originally, additional production of *rabi* jowar had not been contemplated but by the end of August, 1972 it was proposed that production of *rabi* jowar would also be increased by 1.1 million tonnes by increasing the area under jowar by a little over one million hectares during *rabi* 1972. The main increases were to be in Karnataka (680,000 hectares) and Maharashtra (200,000 hectares).

2.6. Medium-term loans would be given to State Governments for undertaking quickly executable minor irrigation works. These measures were anticipated to bring an additional area of about 1.5 million hectares under irrigation (schemes totalling Rs. 152 crores were ultimately approved).

2.7. Short-term loans (Rs. 100 crores) would be made available to States to enable them to give loans to cultivators for fertilizers, seeds, crop protection, taccavi etc.

2.8. Medium-term loans were given on the same terms as other Plan finance, that is, they carried interest at 5 per cent annually, and were repayable in equal instalments over 15 years. Repayment was to commence from the first anniversary of the date of drawal. Short-term loans also carried interest at 5 per cent. These were repayable in two instalments, i.e., 50 per cent within six months and another 50 per cent within 9 months and in certain cases, 9 months and 12 months respectively.

2.9. Quick implementation of the minor irrigation programme, capable of augmenting irrigation water supplies for the benefit of the ensuing rabi and summer crops formed the major plank of Government's strategy.

[Paragraph 2.01 and 2.02 of the Supplementary Report of the Comptroller & Auditor General of India for the year 1972-73, Union Government (Civil)]

*Administrative and Financial arrangements for the EAPP.*

2.10. Seven senior officers of the Ministry of Agriculture were designated as Area Officers and placed in charge of specific groups of States. They were to visit the States allocated to them, examine schemes proposed for the EAPP, make financial allocations on the spot and keep close track of implementation. A special cell was also created in the Ministry to be incharge of the programme, to review progress at weekly intervals and keep the Planning Commission, Ministry of Finance and Cabinet Secretariat informed.

2.11. State Governments were asked to take immediate action to implement various measures including arrangements for seeds, pesticides and fertilisers. A copy of a monograph prepared by the Indian Council of Agricultural Research, containing recommendations about profitable use of fertilizers in the situation, was also forwarded to the State Governments on 28th August.

2.12. It was decided in late August 1972 that medium term loans for minor irrigation would be given subject to the following conditions:—

2.13. Full account would be taken of the budget provisions made for other schemes, e.g. Small Farmers Development Agency, Marginal Farmers and Agricultural Labour projects, Drought Prone Areas Programmes, Crash Scheme for Rural Employment, farming and similar schemes and these would be dovetailed with the EAPP.

2.14. The assistance to States would be related to specific identifiable schemes over and above the provisions already made in the States' annual Plans for 1972-73.

2.15. The loans to States would be given in instalments, the first instalment of 25 per cent being given as an advance immediately,



while the second and subsequent instalments of 25 per cent each would be released after review by the Ministry of the progress of expenditure and performance from time to time. The last instalment would be paid subject to review of the progress of the normal Plan expenditure and the progress of this special Programme.

2.16. For releases of funds after the first instalment, the Ministry should obtain from the State Governments monthly reports of expenditure actually incurred on the programme. A mere transfer of funds from State Governments to institutions like the Agro-Industries Corporations, the State Electricity Boards, etc., would not be counted as expenditure.

2.17. The schemes selected for execution by the State Governments were to be such as could be completed by March 1973 or May 1973 at the latest. However, funds for completing the schemes spilling over into 1973-74 would have to be provided by the State Governments from their own resources.

2.18. The programme was discussed in a meeting held by the Ministry in New Delhi on 22nd September, 1972 where the increases in areas to be sown under wheat, summer rice, gram and rabi jowar were finalised in consultation with representatives of the State Governments. At this meeting, doubts were expressed about availability of fertilizers and it was decided that steps would be taken to utilise whatever fertilizers were available to the best possible advantage. Most State Governments had, it was indicated, drawn up action programmes. The fairly widespread rains in most parts of the country during August-September which indicated prospects of a better harvest, as compared to the earlier apprehension based on somewhat scrappy reports, was also noted. However, it was felt that State Governments could not at that stage make a realistic assessment of the loss in production and likely recovery because of the late rainfall. The programme, as finalised in September 1972, envisaged an outlay of Rs. 152 crores on minor irrigation to be financed by the Central Government by medium-term loans against which Rs. 148.14 crores were actually given to the States. Details of schemes sanctioned for each State are at Appendices II—VIII. Short-term loans totalling Rs. 99.92 crores were also to be given by the Central Government to the State Governments for distribution to farmers as taccavi loans for purchasing seeds, fertilizers, pesticides etc., or for direct purchase and sale of such inputs by the State Governments.

2.19. The distribution of Rs. 148.14 crores mentioned above on the types of minor irrigation schemes was as follows:—

Scheme	Amount released
	(Rs. in lakhs)
1. Reenergisation of tubewells/pumpsets—1.62 lakh nos. . . . .	5612.95
2. Lift Irrigation Schemes—5086 nos. . . . .	2104.71
3. Construction of State tubewells—1944 nos. . . . .	1672.00
4. Construction of shallow tubewells—65450 nos. . . . .	1198.80
5. Pumpsets—45601 nos. . . . .	957.10
6. Extension of canals and distributaries in the command of major and medium irrigation projects—14 schemes . . . . .	1376.55
7. Miscellaneous schemes not covered above . . . . .	1891.83

2.20. Medium term loans approved for minor irrigation schemes, amounts actually paid and the amounts of short term loans paid for inputs were as under:

State	Rupees in Crores			
	Amount of medium term loan		Amount of short term loan given	Total amount given (3 plus 4)
	Approved	Given		
1	2	3	4	5
1. Andhra Pradesh . . . . .	9.865	8.397	13.50	21.897
2. Assam . . . . .	2.029	2.020	2.50	4.520
3. Bihar . . . . .	17.728	17.728	7.00	24.728
4. Gujarat . . . . .	5.000	5.000	2.00	7.000
5. Haryana . . . . .	12.000	12.000	0.10	12.100
6. Himachal Pradesh . . . . .	0.500	0.325	0.35	0.675
7. Kerala . . . . .	2.500	2.500	1.25	3.750
8. Madhya Pradesh . . . . .	5.810	5.810	6.00	11.810
9. Maharashtra . . . . .	24.963	24.963	16.00	40.963
10. Manipur . . . . .	0.577	0.383	0.40	0.783

	1	2	3	4	5
11. Karnataka . . . . .		6·389	5·299	2·00	7·299
12. Nagaland . . . . .		0·200	0·200	0·02	0·220
13. Orissa . . . . .		6·600	6·600	2·00	8·600
14. Punjab . . . . .		14·720	14·720	..	14·720
15. Rajasthan . . . . .		3·892	3·892	4·00	7·892
16. Tamil Nadu . . . . .		3·820	2·990	3·50	6·490
17. Tripura . . . . .		0·229	0·229	0·20	0·429
18. Uttar Pradesh . . . . .		20·750	20·750	15·50	36·250
19. West Bengal . . . . .		14·330	14·330	6·00	20·330
20. Under normal programme for some States . . . . .				17·60	17·60
Arunachal Pradesh—Rs. 6·75 lakhs (provided by Ministry of Home Affairs)					
Mizoram	Rs. 2·00 lakhs		Do.		
		151·902	148·936	99·92	248·056

[Paragraphs 3.01 to 3.03 of the Supplementary Report of the Comptroller & Auditor General of India for the year 1972-73, Union Government (Civil)]

### *Magnitude of the programme.*

2.21. An idea of the nature and magnitude of the task can be had if one considers how much was sought to be done in how little time. The area under wheat in 1969-70 was 167.6 lakh hectares which had increased to 191.4 lakh hectares by 1971-72, an average increase over these three years of 7.93 lakh hectares per annum, the annual increases being 4.7 per cent, 4.5 per cent and 4.3 per cent respectively. The EAPP proposed to increase the area under wheat by nearly 40 lakh hectares in one rabi season, an increase of about 19.8 per cent. Similarly, production of wheat which was 264.1 lakh tonnes in 1971-72 was sought to be increased under the EAPP by 84 lakh tonnes, an increase of 32.2 per cent. The increases in wheat production in the preceding three years 1969-70 to 1971-72 were 7.7 per cent, 18.6 per cent and 10.8 per cent respectively. Again, the yield of wheat per hectare was sought to be increased from 1382 Kgs. in 1971-72 to 1514 Kgs. per hectare under the EAPP even though there was a known fertilizer supply constraint. The additional production of summer rice, the crop from which the second largest

increase in production (35 lakh tonnes) was planned, represented an increase of nearly 114 per cent over the 1971-72 summer rice production of 30.75 lakh tonnes. The area under summer rice was to be increased (ultimately) by 10 lakh hectares over the 1971-72 area of 16.7 lakh hectares, or an increase of nearly 60 per cent. For the third cereal crop, rabi jowar, figuring in the EAPP, the increase in area planned was 10.85 lakh hectares against 69.05 lakh hectares (15.7 per cent) while production was to increase by 11 lakh tonnes over the 1971-72 level of 23.61 lakh tonnes (46.6 per cent). Of the 11 lakh tonnes, Maharashtra and Karnataka were to produce 215,000 tonnes and 680,000 tonnes respectively in spite of the fact that large parts of these two States (as was well known in August-September, 1972) were suffering from a prolonged drought. The yield of rabi jowar was to go up to 1,000 Kgs. per hectare against approximately 461 Kgs. per hectare in 1971-72. Lastly, gram production was to increase by 20 lakh tonnes, an increase of about 40 per cent over the level of 1971-72, when, in fact, production of gram had declined from 55.46 lakh tonnes in 1969-70 to 51.06 lakh tonnes in 1971-72.

2.22. Loans and grants from the Central Government for minor irrigation, the main component of the EAPP, had been Rs. 85 crores, Rs. 96.3 crores and Rs. 100.4 crores during 1969-70, 1970-71 and 1971-72 respectively. Institutional investment on minor irrigation works from agencies such as Land Development Banks, Central Co-operative Banks, Agricultural Refinance Corporation and Agro-Industries Corporations was about Rs. 115 crores, Rs. 120 crores and Rs. 130 crores respectively during these years.

2.23. Loans and grants for minor irrigation to be given by the Central Government in 1972-73 under the normal programme of the Ministry were Rs. 101 crores to which it was proposed to add a further outlay of Rs. 152 crores under the EAPP, the total being two and half times the Central Government's outlay in the previous year. Similarly, the additional area brought under minor irrigation is reported to have been 13.5 lakh hectares, 16 lakh hectares and 14.8 lakh hectares in 1969-70, 1970-71 and 1971-72 respectively, this was to be increased by 13.8 lakh hectares under the normal Plan for 1972-73 and a further 15 lakh hectares under EAPP. The total increase contemplated in 1972-73 was about double the increase achieved in any previous year. The schemes under EAPP were considered and approved in August and September. Many of the schemes included civil works, laying of electric lines, purchase of rigs, pumpsets, etc. to be installed which normally take time. On the other hand, for the major crop, wheat, irrigation facilities were required by the end of October. Wheat is sown between early

November and early December. Pre-sowing watering for wheat is required 8 to 10 days before sowing and the second watering three weeks after sowing at the crown root initiation stage. While watering at later stages of the crop till February or so is also required, substantial increase in production of wheat, specially the high-yielding varieties could be expected only where irrigation was assured before sowing commenced.

2.24. Indigenous production of fertilizers has been approximately 60 to 70 per cent of the installed capacity in our country while the balance (about half the total quantity used) is imported. No imports of fertilizers had materialised after March 1972. The fertilizers demand for agricultural production, for rabi and summer 1972-73, inclusive of the 150 lakh tonnes additional production contemplated under the EAPP, had been placed at 31 lakh tonnes of nutrients (i.e. nitrogen, phosphorus and potash). Even assuming that the "package of practices" recommended in the Indian Council of Agricultural Research monograph was fully put into practice, the total demand would have been of the order of 24 lakh tonnes of nutrients. However, at the (pre-rabi 1972-73) six monthly zonal meetings held by the Ministry to fix the allocation of fertilizers for the States, the States' demand for 22.2 lakh tonnes had been reduced to 18.79 lakh tonnes. The analysis of demand of fertilizers by the States for the rabi/summer crop 1972-73 (including EAPP) was as follows:

Crop and Application	Time of application	Deadline for availability at ports/factory gate
1. Rabi Basal	About 50 per cent of nitrogen and 100 per cent of phosphorus and Potash in November-December.	By October 1972.
2. Rabi top dressing	About 50 per cent in January-February	By December 1972.
3. Summer Basal	About 50 per cent of nitrogen and 100 per cent of phosphorus and potash in January-February.	By December 1972.
4. Summer top dressing	About 50 per cent of nitrogen in February-March.	By January 1973.

On the above formula 13.44 lakh tonnes should have been available by October 1972 for the rabi basal dose and the balance 5.35 lakh tonnes by the middle of January 1973 or earlier. Thus the supply programme envisaged was for 18.79 lakh tonnes. Quantity actual-

ly available by October 1972 was 8.68 lakh tonnes and a total of 15-16 lakh tonnes was expected by December 1972. Therefore, supply of the second most important input, fertilizer, was not expected to be adequate even for the normal requirement, leave alone the additional production planned under EAPP. It was assumed that some of the additional fertilizers required for EAPP would be met by the stocks with the States which, it was thought, would be higher than the figures computed on normal consumption, consequent on less being used in the kharif season.

2.25. Production and supply of seeds are undertaken by the State Departments of Agriculture, Agricultural Universities, Co-operative societies, the State Farms Corporation of India, Tarai Development Corporation, National Seeds Corporation and private seed growers. Seeds required for any year have to be planned two years ahead so that good quality seeds (certified seeds) are available in time. If production and supply of foundation seeds have also to be arranged, the time-cycle increases by one more year. According to one estimate, the total requirement of seeds for the entire area to be planted in the rabi season 1972-73 was:

Wheat . . . . .	23.0 lakh tonnes.
Summer rice . . . . .	0.8 lakh tonnes.
Rabi Jowar . . . . .	0.7 lakh tonnes.
Gram . . . . .	7.0 lakh tonnes.

The total supply that was ultimately arranged by the Centre against the additional requirement of wheat seeds was 1.35 lakh tonnes for implementing the EAPP. The States representatives had, at the 22nd September meeting, anticipated no difficulty about seeds.

2.26. The extent to which other scarce inputs like steel, cement, drilling rigs and pesticides would be required had not been estimated when the EAPP was formulated. In early October 1972 these requirements were assessed as follows:

(1) DRILLING RIGS

Bihar . . . . .	5
Gujarat . . . . .	5
Maharashtra . . . . .	6
Karnataka . . . . .	12
Punjab . . . . .	0
	37

## (2) PUMP SETS (NUMBERS)

Diesel . . . . .	20,000
Electric . . . . .	1,20,000
	<hr/> 1,40,000 <hr/>

## (3) CEMENT

Uttar Pradesh . . . . .	30,000 tonnes
West Bengal . . . . .	8,000 tonnes
	<hr/> 38,000 tonnes <hr/>

## (4) STEEL

Maharashtra . . . . .	9,830 tonnes
Orissa . . . . .	4,647 tonnes
Gujarat . . . . .	600 tonnes
Uttar Pradesh . . . . .	850 tonnes
Madhya Pradesh . . . . .	800 tonnes
Karnataka . . . . .	3,980 tonnes
West Bengal . . . . .	4,000 tonnes
	<hr/> 24,707 tonnes <hr/>

5) PESTICIDES . . . . . 27,173 tonnes

[Paragraphs 4.01 to 4.05 of the Supplementary Report of the Comptroller and Auditor General of India for the year 1972-73, Union Government (Civil)].

*First Appraisal of the Programme*

2.27. In view of the likely constraints (particularly those relating to fertilizer, power and time, doubts began to be felt early in October 1972 about achievement of the target of 150 lakh tonnes of additional production under the EAPP. By the end of October it was estimated by the Ministry that additional production in nine States, viz., Uttar Pradesh, Punjab, Haryana, Rajasthan, Andhra Pradesh, Karnataka, Bihar, Orissa and West Bengal, would be 67 lakh tonnes against 115 lakh tonnes planned (out of the total of 150 lakh tonnes for all the States). All States taken together it was expected that the additional production would be 108.8 lakh tonnes against the earlier expectation of 150 lakh tonnes. In November, Government felt that the revised target might go down still further on account of the gap between the requirement and the availability of fertilizer.

2.28. In late November 1972, a review of the major food-producing States revealed that because of widespread rains in September and October 1972, kharif losses would be less than estimated earlier. For some important food-producing States the losses were now estimated as:

1972—Kharif loss (lakh tonnes)

	Earlier estimate (August 1972)	End November 1972 estimate
Uttar Pradesh	28.00	3.0
Bihar	28.00	12-13
West Bengal	23.00	5.0
Madhya Pradesh	7.0—8.0	7.0—8.0
Karnataka	5.00	Nil
Punjab	No loss	
Haryana	6.0	6.33
Rajasthan	20.0	20.0

2.29. In December 1972 Maharashtra, which had till then submitted no progress report, reported shortage of steel and cement and estimated a loss of over 36 lakh tonnes in foodgrain production due to the continued dry spell which had reduced rabi sowings to 84 per cent, 70 per cent and 54 per cent of the 1971-72 acreages for rabi jowar, wheat and gram respectively.

[Paragraph 5.01 of the Supplementary Report of the Comptroller and Auditor General of India for the year 1972-73, Union Government (Civil)].

#### *Second reappraisal of EAPP food production targets*

2.30. Based on the reports received and the estimated availability of fertilizers till 15th January 1973 (15.23 lakh tonnes against 15.66 lakh tonnes for the corresponding period of the previous year), the Ministry reviewed the situation and concluded in December 1972 that not only was the EAPP completely unsupported by the availability of this important input, but in fact less fertilizers would be available than required even for the normal food production programme. The Ministry consequently estimated additional foodgrain production (under the EAPP) at 62.4 lakh tonnes



against the original target of 150 lakh tonnes and the revised target of 108.8 lakh tonnes worked out in October 1972. It was also considered doubtful in December 1972 whether all the additional areas programmed to be brought under assured irrigation would actually be brought under irrigation even by the end of the January 1973, which might necessitate further scaling down of the target.

2.31. By that time it was known that execution of many irrigation schemes in the States, which had submitted progress reports, was slow and unlikely to be completed in time. Further, shortages of power and fertilizers had worsened. The target for additional foodgrain production was by then only 42 per cent of the original. But, while outlays on a few individual schemes were altered at different stages, no change was made in the outlay on the Programme as a whole.

2.32. By the end of December 1972 funds to the extent of Rs. 142\* crores had been released to the State Governments on the basis of the schemes already approved in August-September 1972.

[Paragraph 6 of the Supplementary Report of the Comptroller and Auditor General of India for the year 1972-73, Union Government (Civil)].

#### *Increase in the severity of constraints*

2.33. By the middle of January 1973, it emerged that acute shortages of power and fertilizers were acting as serious constraints on the food production programme in Punjab. It was reported that Madhya Pradesh had gone back on its promise to supply power to Punjab. While power supply to the Nangal Fertilizer Plant had been scaled down from 98 MW to 60 MW, supply of electricity for agriculture was reduced from 12 hours a day in August 1972 to 8 hours a day from 11th December 1972, and finally to 4 to 5 hours a day from 27th December onwards (continuing up to 8th April 1973). Out of 1.7 lakh tonnes of nitrogen, only 0.8 lakh tonnes had been supplied during the quarter October—December 1972, while the January—March 1973 quota was yet to come. Forty-three thousand tonnes of nitrogen were required urgently. From Haryana, similarly, there were reports of acute shortage of power, which was being supplied for only 3 to 4 hours a day and also of fertilizers. Only 0.158 lakh tonnes of nitrogen had been supplied against 0.53 lakh tonnes allotted for the rabi season; 3,000 tonnes were required for top-dressing immediately. Import of 12 diesel

\* Long-term loans—Rs. 60.9 crores; Short-term loans—Rs. 81.1 crores.

generating sets (8 of 1.1 MW and 4 of 1.16 MW) had been proposed, but had not been cleared by the Ministry of Irrigation and Power.

2.34. Based on the estimates of the State Governments the total kharif and rabi foodgrain production in 1972-73 was computed by the Ministry (early in February 1973) to be 980—990 lakh tonnes, a shortfall of 110 lakh tonnes in Kharif 1972-1973 over kharif 1971-72 being offset partially by a gain of 47 lakh tonnes in rabi.

[Paragraph 7 of the Supplementary Report of the Comptroller and Auditor General of India for the year 1972-73, Union Government (Civil)].

2.35. The Committee desired to know the basis on which the Government decided to embark upon the Emergency Agricultural Production Programme, a venture of a large magnitude involving an outlay of about Rs. 250 crores in one year. The Secretary, Ministry of Agriculture stated during evidence tendered before the Committee that the basis was 'public clamour' from all over the country and 'the terrible situation' resulting from the drought.

2.36. When the witness was asked as to who had initiated the Programme, he replied:

"On receipt of reports of very inadequate rainfall and prolonged dry spell from various States, Minister of State in the Ministry of Agriculture... called a meeting on 29-7-72 of all the Divisional heads in the Department of Agriculture in which he asked for suggestions for short-term measures to be taken immediately to mitigate the severity of the drought and also initiate measures for ensuring greater production during the ensuing rabi and summer season of 1972-73. The different technical divisions were asked to prepare suitable schemes. These were collected together and a note on the situation created by the drought and possible measures for dealing with it was submitted to the Cabinet on 4-8-1972. The Cabinet considered this note at its meeting on 7-8-72 and approved the proposals."

2.37. The Committee desired to be furnished with a copy of the Note on the situation created by the drought and possible measures for dealing with it, stated to have been submitted to the Cabinet on 4th August 1972 and the Ministry's file relating to the initial formulation of the Programme. The Ministry of Agriculture, however, declined to furnish these documents to the Committee on the ground that their disclosure would be 'prejudicial to the interests of the State'.

*Estimates of kharif shortfall*

2.38. According to the Report of the Comptroller and Auditor General of India, the Ministry of Agriculture had apprehended that the kharif foodgrain crop would be adversely affected by 10 to 12 million tonnes, as a result of the 'break monsoon' conditions during the last fortnight of July and the first four days of August, 1972. The Committee desired to know the sources of information based on which the extent of loss in production of foodgrains during the kharif season had been estimated. In a written note, the Ministry stated:

"The estimated loss of 10—12 million tonnes of foodgrains was arrived at on the basis of the preliminary reports received till about the end of July 1972 from the States affected by drought. This was, however, an incomplete estimate and related only to the States seriously affected by drought."

During evidence tendered in this regard, the Secretary, Ministry of Agriculture stated that the shortfall in kharif production had been estimated on the basis of "the personal assessment of people who had visited the States."

2.39. The Committee were informed by Audit that in the Note of 4th August 1972 enclosed to D.O. letter No. 950(S)|CF.4|72 dated the 4th August 1972 from the Secretary, Ministry of Agriculture, it had been stated that the 'reports received from States are scrappy'. The Committee, therefore, desired to know whether the Ministry has independently cross-checked these reports in order to establish their accuracy and, if so, the estimates of kharif shortfall arrived at by the Ministry and whether these estimates tallied, for each State, with the estimates based on the preliminary reports. In a written note, the Ministry stated:

"In early August, the Minister of Agriculture, the Ministers of State in the Ministry of Agriculture and the Area Officers visited various States to make a detailed on the spot study of the drought situation and the likely loss in production of kharif crops. As a result of the discussions with the State Governments, the total loss of foodgrains was revised upward to 13.5 million tonnes. This, however, related to 10 States only and did not include the losses suffered by the other States where drought was less severe. The State-wise estimates were generally higher than those worked out earlier on the basis of preliminary reports."

2.40. In reply to another question whether the Ministry had revised its estimates of kharif shortfall on receiving reports of revival of monsoon in various parts of the country and, if so, how these estimates compared with the earlier estimates, the Ministry stated in a written note furnished to the Committee:

“Subsequently, the State Governments re-assessed the losses of foodgrain production caused by drought in the light of the rainfall situation and the estimates furnished by them at the Conference of Agricultural Production Commissioners, held in New Delhi on the 22nd September 1972, totalled to about 15 million tonnes. Later, the losses tended to decline in some of the States as compared to the earlier estimates on account of the favourable rains received during August, September and October 1972 which improved the crop prospects. The comparative estimates in respect of some of the major States are shown below:

State	Earlier estimate of loss	Later estimate of loss
	(lakh tonnes)	
Bihar	28.80	12.00
Madhya Pradesh	7.00	4.00
Maharashtra	15.70	9.40
Orissa	8.90	(-) 3.00 (increase to 4.00)
U.P.	24.00	(-) 4.80 (increase)

There was no finality about the estimates and the State Governments continued the exercise of assessing the losses more and more firmly depending upon the crop conditions until the crops were harvested.”

#### *Forecasts of Rabi production under EAPP*

2.41. The Emergency Agricultural Production Programme envisaged, according to the Audit paragraph, an additional production of 15 million tonnes of foodgrains in the 1972-73 rabi and 1973 summer seasons, an increase of approximately 37.5 per cent over the production in the rabi and summer seasons of the previous year. The Committee desired to know the basis on which this additional

production had been projected by the Ministry. In a written reply, the Ministry of Agriculture stated:

“The target of 15 million tonnes of additional foodgrains production, set originally under the EAPP consisted of:

Wheat . . . . .	8.4	million	tonnes
Summer rice . . . . .	3.5	”	”
Rabi jowar . . . . .	1.1	”	”
Gram and other pulses . . . . .	2.0	”	”
<b>TOTAL</b>	<b>15.0</b>	”	”

**Wheat:** Wheat is the most important foodgrain crop accounting for over 60 per cent of the total rabi foodgrains production in the country. This is also the crop where the use of high-yielding varieties during the last 5 or 6 years has given spectacular results in terms of increases in production and yields. Therefore, reliance was placed mainly on this crop for achieving the desired increases in production during the rabi season of 1972-73. The total area under wheat had been increasing annually on an average by about 1 million hectares during the 5 years ending 1971-72. It was estimated that during 1971-72, the area under wheat (for which the Final Estimate was not available at that time) would have increased to about 19 million hectares (which was confirmed by the estimates received subsequently from the State Governments). On the basis of the past trend, it would have increased in the normal course to about 20 million hectares in 1972-73. But in view of the widespread drought during the kharif season which had led to large areas remaining unsown and the reported failure of already sown kharif crops, there was every possibility of significant additions to the areas under rabi crops especially under wheat and consequently the total area under wheat during 1972-73 was projected to 23 million hectares i.e. an increase of 4 million hectares over 1971-72. Similarly, the production of wheat had also been increasing by about 2-3 million tonnes annually. The annual growth rate in wheat during the Fourth Plan had been about 16 per cent. Punjab and Haryana had almost doubled their wheat production during the period of five years ending 1971-72. West Bengal and some other traditionally rice-growing States had also done exceedingly well in wheat production through expanding use of high yielding varieties.

Out of the proposed 23 million hectares, it was proposed to bring 12 million hectares under high yielding varieties as against about 8.5 million hectares during 1971-72. The remaining 11 million hectares would be sown under unirrigated conditions. With the adoption of the recommended doses of fertilisers and irrigation, the additional production of wheat was expected to be of the order of 8.4 million tonnes over the base level production of about 2.6 million tonnes of wheat during 1971-72. Of this, about 5.6 million tonnes would accrue from the additional coverage under high yielding varieties and the balance 2.8 million tonnes from the additional area of 4 million hectares. So far as the unirrigated area is concerned, it could be contemplated to increase the yields of wheat by about 20—25 per cent through foliar application of Urea for which a subsidy was proposed as an incentive.

**Summer Rice:** The area under summer rice which stood at 1.66 million hectares during 1970-71, was expected to go up to 2.0 million hectares during 1971-72. With further expansion of irrigation facilities contemplated under the EAPP, the possibility of its further expansion to an additional 1.0 million hectares, especially in the States of Assam, Bihar, Kerala, Mysore, Orissa, Tamil Nadu and West Bengal was envisaged. Out of the total estimated area of about 3 million hectares during 1972-73, the additional production was expected to be of the order of 3.5 million tonnes of rice. This could be achieved by increasing the existing average yield of about 1.6 tonnes per hectare to about 2.5 tonnes per hectare by introducing suitable high yielding varieties of rice with proper fertilisation and plant protection measures.

**Rabi Jowar:** The total area under this crop was about 6 million hectares. It was planned to increase it by about 1 million hectares during 1972-73 especially in the major Rabi Jowar-growing States of Andhra Pradesh, Maharashtra and Mysore. With proper fertilisation and plant protection over the entire area, it was planned to obtain an additional production of about 1 million tonnes.

**Gram:** The total area under Gram was about 8 million hectares in 1971-72. If even half of this area could be brought under the recommended package of practices (40—50 Kgs. of  $P_2O_5$  and 10—15 Kgs. of N per hectare), an additional production of 2 million tonnes could be expected."

2.42. The Committee asked whether the projected rates of increase in production under the EAPP had been achieved in any of the previous years for each of the crops covered by the Programme. The Ministry of Agriculture informed the Committee in a note that the projected rates of increase in production of wheat, summer rice, rabi jowar and gram had not been achieved in any of the past years.

2.43. The Ministry of Agriculture also furnished, at the instance of the Committee, the following details of the production trends during the five years ending 1971-72, i.e., prior to EAPP and the forecasts made under the EAPP for 1972-73:

(In million tonnes)

Year	Wheat	Rabi summer rice	Rabi jowar	Gram
1967-68 . . . . .	16.54	2.30	3.31	5.97
1968-69 . . . . .	19.65	2.63	3.60	4.31
1969-70 . . . . .	20.09	2.84	3.30	5.55
1970-71 . . . . .	23.83	2.67	2.29	5.20
1971-72 . . . . .	26.41	3.05	2.36	5.04
1972-73 (EAPP)	34.81	6.58	3.46	7.08

The Secretary, Ministry of Agriculture also informed the Committee during evidence that the production of wheat during 1972-73 and 1973-74 was respectively 24.7 million and 22.1 million tonnes.

2.44. Since the EAPP envisaged a particular increase in production in a particular area, the Committee desired to know the actual achievement. The Secretary, Ministry of Agriculture stated in evidence:

"The achievement in wheat was that, instead of an increase there was a decrease. In summer rice also there was a marginal decrease; it was 2.92 million tons instead of 3 million tons. In jowar also there was a decrease from 2.361 to 1.621 million tons. In pulses also there was a decrease. In gram there was a decrease from 5 million tons to 4.537 million tons and in other pulses from 2.6 to 2.193 million tons."

2.45. The Committee were also informed by Audit that in the Note dated 4th August, 1972, referred to earlier in paragraph 2.39, it had been expected that as a result of the EAPP, the area under wheat of high yield varieties would go up from 7.5 million hectares to 12 million hectares, i.e. an increase of 60 per cent. According to 'Indian Agriculture in Brief' (12th Edition, p. 176) the average yearly increase in the area from 1968-69 to 1971-72 was only 0.899 million hectares per annum. The Committee asked whether the rate of increase in the area under HYV wheat, contemplated under the EAPP, had been achieved earlier in any year. In a note furnished to the Committee, the Ministry of Agriculture stated:

"The Ministry had projected an increase in area under high-yielding varieties of wheat from 8.5 million hectares (estimated) during 1971-72 to 12 million hectares during 1972-73—an increase of 41 per cent. Much higher growth rates in the area under HYV wheat had been achieved in the years 1967-68 and 1968-69 as may be seen from the following table:

*Area Under HYV Wheat*

Year	Area	Percentage increase over previous year
	(Million hectares)	
1966-67 . . . . .	0.54	..
1967-68 . . . . .	2.94	444
1968-69 . . . . .	4.80	63"

2.46. The total area under wheat, according to the statistics furnished to the Committee during evidence by the Secretary, Ministry of Agriculture, had been as follows:

Year	Area (In million hectares)
1969-70 . . . . .	6.6
1970-71 . . . . .	18.2
1971-72 . . . . .	19.1
1972-73 . . . . .	19.5
1973-74 . . . . .	19.0



2.47. To achieve the proposed increase in foodgrain production, under the EAPP, the area under wheat was to be increased from 19 million hectares, in 1971-72, to 23 million hectares in 1972-73, representing an increase of about 20 per cent. Since the average annual increase in the area under wheat during the preceding three years had been only around 5 per cent, the Committee desired to know how the Ministry visualised the projections under the EAPP and considered an increase of about 20 per cent possible, particularly in the light of the performance during the preceding three years. The Secretary, Ministry of Food, stated during evidence:

"The percentage increases are probably misleading because starting from very small figure, a very high percentage increase can be obtained. It is the quantum and increase which would probably be more relevant and the area has increased in the past. In 1970-71, it did increase by nearly 1½ million hectares. The production increased by 4 million tonnes. The factor that was taken into consideration in 1972-73 was that a very large area under late paddy was being used for growing of wheat in the rabi season because the paddy crop had failed. A number of States estimated very large areas to be newly placed under wheat at least for that season where it was too dry to save the paddy which had withered away and paddy was being cut for fodder and there was this factor and the assumption that more fertilisers would be used and there would be more growth and in the context of the general food shortage created by the khariff failure there would be tendency to grow as much wheat as possible. I would frankly say that these estimates were very much on the high side and one of the reasons why we brought down the target of additional production from 15 million tonnes to 10 million tonnes and the down to about 6 million tonnes was our conclusion that this kind of additional production of wheat was just not possible."

2.48. When the Emergency Agricultural Production Programme was conceived, it was for an additional production of 15 million tonnes in the rabi season, in approximately six months' time October 1972 to March 1973. The Committee desired to know whether, on the basis of past projections of increases in each of the crops covered in the Programme, the Ministry felt that the targets envisaged were realistic. The Secretary, Ministry of Agriculture stated during evidence: "I never thought it to be realistic."

2.49. The Committee desired to know the three yearly average yield, during the period from 1969-70 to 1971-72, as per crop cutting experiments, of each of the crops figuring under the EAPP. The information furnished in this regard by the Ministry of Agriculture is reproduced below:

"Information on per hectare yield of wheat, summer rice, rabi jowar and gram, at the all-India level, based on crop-cutting experiments, the coverage of which varies from crop to crop, for the years 1969-70, 1970-71 and 1971-72, is given below, along with the average yields for the three years:

Crop	Per hectare yield in Kgs.			
	1969-70	1970-71	1971-72	Average for the three years
Wheat . . . . .	1209	1307	1380	1299
Summer Rice . . . . .	1533	1625	1841	1666
Rabi Jowar . . . . .	464	354	342	387
Gram . . . . .	715	653	642	6-3"

2.50. In reply to another question whether the yield per hectare postulated while planning for the EAPP had taken into proper account the known constraints in fertiliser supplies, power supply, availability of seeds of high-yielding and other varieties, the Secretary, Ministry of Agriculture stated during evidence:

"The fertiliser supply constraint came as a bit of surprise because really there was no difficulty in getting fertilisers near about July-August-September 1972 but by November 1972 the position changed dramatically and suddenly. There were many reasons, international etc. We were producing only half of our requirements domestically and the imports began drying up.

As regards power supply the constraints were not appreciated and taken into account. The power constraint was there. About pesticides there was no shortage. No shortage was experienced, reported or feared at any stage.

About high-yielding variety seeds, one assumption which in retrospect, at any rate, I consider facile, was made, that

the wheat procured by the Food Corporation of India, Kalyan Sona, be used, in places as so-called high-yielding variety seeds. This opinion was confirmed by some experts at the Centre and many in the States. In any case they had lost large areas under paddy in which they wanted to grow something in the rabi season. Therefore, a decision was taken to allow the Food Corporation of India stocks of wheat to be used in places as so-called high-yielding variety seeds. They were wheat produced from high-yielding variety wheat seeds and not high-yielding variety seeds. The assumption made that this wheat would yield the same result, provided it is sown after a germination test, did not prove right. There were other factors like hot westerly winds, and for the first time an attack of rust on Kalyan Sona. An attack of rust is something which cannot be controlled by the application of pesticides. Once this disease appears the only thing you can do is to change the variety and that has been done subsequently in Punjab. But because Kalyan Sona is a high-yielder they had sown Kalyan Sona and the high yield did not materialise to the extent hoped for because of the rust disease which was to some extent accentuated by the rather premature onset of hot weather and hot westerly winds."

2.51. In the light of the fall in the trend of production of jowar in the last three years, the Committee asked how the Ministry had contemplated that the yield per hectare of rabi jowar would be doubled in the States which were affected by drought. The witness replied:

"It was a mistake. They had equated the ideal to the average. There was certainly a recommendation of ICAR that with the package of practices recommended, under specified conditions, it is possible to produce 1,000 Kg. of jowar per hectare in rabi season. But it was obvious that the conditions required in ICAR monograph were not there and could not be produced in the concerned areas."

He added in this regard:

"The recommended or estimated yield per hectare in the ICAR monograph was mechanically transposed in the production programme without realising that these con-

ditions do not exist. The actual average has been of the order of 2½ quintals. But it is true that krishi pandits have obtained even 20 quintals.

Apart from the difference between ideal and practical there is the other thing—the yield is the composite result of the soil and seed and water and the fertiliser as well as the agricultural practice and the farmers' own efforts. You cannot mathematically determine which fraction of the yield is due to which factor. The recommendations or estimates of the ICAR are based on what they achieve in their institute farms or on demonstration plots. But these are invariably under ideal conditions. These plots are not allowed to suffer for want of water, pesticides or anything else. If they were large areas and the programme is going to be tried, it is not possible and in that particular year, as has been pointed out in the Audit Report, the constraints were already there and they became very severe."

2.52. During the preceding three years, prior to the formulation of the Emergency Agricultural Production Programme, production of wheat had increased by 7.7 per cent, 18.5 per cent and 10.8 per cent respectively. Under the EAPP, wheat production was targetted to increase by as much as 32 per cent. The production of summer rice, under the EAPP, was to be increased by 114 per cent over the previous year's production. Similarly, it was envisaged that production of gram would be increased by about 40 per cent over the level of 1971-72, even though the production of pulses had not increased during the last decade. In respect of rabi jowar, the increase was over 46 per cent and involved the doubling of the yield per hectare. The Committee asked whether these projections were realistic and particularly in view of the time available and other constraints in the availability of physical inputs, whether the Ministry considered them realistic. The Secretary, Ministry of Agriculture replied:

"The Ministry had these doubts very soon after this programme was launched. This is shown by the fact that the anticipated increase in production was scaled down from 15 million tonnes to 10 million tonnes and then to only 6."

In reply to another question as to when the Ministry came to realise this, the witness stated:

"I could not tell you the date, but it was just before I had joined the Ministry. It was scaled down to 10 million and

within a month, I remember, it had been scaled down to 6 million tonnes. The reason, why we did not scale it down further was that we were not getting complete information about areas sown and the condition of the crop."

2.53. When the first appraisal of the Programme was undertaken, doubts began to be felt early in October 1972 about the achievement of the target of 150 lakh tonnes of additional production under the EAPP. By the end of October, a revised target of additional production of 108.8 lakh tonnes had been worked out. After a review of the situation once again in December 1972, the Ministry estimated the additional foodgrain production, under the EAPP, at only 62.4 lakh tonnes. Explaining the reasons for the revision of targets of additional production, the Secretary, Ministry of Agriculture stated in evidence:

"The assessment of the targets of additional production had to be revised because of the constraints which were not fully appreciated earlier, but had become obvious about the end of October or beginning of November and the fact that such a large additional programme was being taken up over and above the fairly substantial minor irrigational programmes under the Plan and the minor irrigation programmes supported by institutional funds. Under the terms of the sanction, the work had to be completed by 31st March 1973 and in any case by 31st May, 1973. But, the Centre would refinance the States only for expenditure incurred up to 31st March, 1973 and because a large part of the programme had to be completed during the rabi season, the full benefits could not be made available during that season itself. Therefore, an attempt was made to make a realistic estimate of the additional production that would be available and as events showed later, even this realistic estimate was on the high side."

In reply to a question whether it had not been contemplated in August, 1972 that the estimates of additional production were on the high side, the witness stated that obviously this had not been contemplated.

2.54. The Committee desired to know how the additional production of 150 lakh tonnes had been expected under the EAPP. The witness stated:

"Both the figures of loss and of additional production prepared at the earlier stage were largely a total of whatever had been reported by the States. But, when the area

officers were appointed and they undertook visits to the States, reports brought by them and also weekly reports received from the State Governments were analysed by the Committee of Joint Secretaries, which used to meet every week and the Committee of Secretaries concerned, which used to meet a little less frequently. It was this scrutiny which brought out the exaggerated nature, both of the loss and of the additional production envisaged as a result of these EAPP schemes. The scrutiny itself was made during the period August—October and it was only after that scrutiny that we were able to change the estimates and... even this changed figure was on the high side. There should have been a further pruning of the estimates really.”

2.55. When the Committee pointed out that at least at the time of the second reappraisal of the Programme in December 1972, the Ministry could have realised that the targets would not be realised and that in the shortest possible period of one rabi season, what could not be achieved during any of the previous years was sought to be achieved, the Secretary, Ministry of Agriculture replied:

“That is true. I have nothing to say about it. But the assessment at any point of time either in October or December could only have been a theoretical one based on the reported figures of rainfall and on information available about the quality of the seeds used and fertiliser availability. The actual figures of kharif production became available much later than December, 1972 after the harvests had been completed. The figures even of area sown under different rabi crops were not available with us till December, 1972 for all the States. Only a few had given the figures and some of these were considered by us to be unreliable. We wanted to check them. Some States had reported enormous increase in the acreage under wheat. Sitting in Delhi we had no means of deciding whether the figure of increase was correct or incorrect, and if incorrect, to what extent. It was necessary to make some spot checks and to have detailed discussions with State Governments and make them go through a process of thorough check before we could arrive at any figure even of the area under wheat.”

He added in this connection:

“The way in which we wanted to get this verification done was to get the State Governments not merely to give us

the total figures computed by them but the detailed district-wise reports of areas and the crop-cutting experiments and keep the calculation sheets ready. We sent our officers to the States whose figures we were doubting to examine the original records and reports from the field on the basis of which they had compiled the figures."

2.56. Explaining further the steps taken to verify the accuracy of the figures of production reported by States which were considered doubtful, the witness stated:

"Since the Central Government does not have its field organisation all over the country in the villages, the best we could do was to find out whether the State Governments were just reporting *ad hoc* figures built up at the State headquarters or were really compiling them from reports they had received from district officers and in turn whether the reports sent by the district officers were compiled from reports sent from individual blocks. We sent teams of people from our Economics and Statistics Directorate to examine the records at the State headquarters, in some districts and in some villages. We could do only a test check of a very small percentage."

2.57. The Committee desired to know the percentage of test check done and the witness stated:

"I could not say offhand. But a few villages in one or two districts were visited by some people from the Agriculture Ministry including myself in some States and the area officers were advised to do the same."

When the Committee asked whether the figures furnished by the State Governments tallied with those obtained on the basis of test checks, the witness replied:

"The action we took was to ask the State Government to revise their figures which they did, though not to the full extent."

He added:

"We got fairly reliable figures of production but with a great deal of delay. Usually the figures even of the area sown under different crops become available about the time the crop is being harvested."

Since it had been stated that the State Governments had been requested to revise their figures, the Committee desired to know the details of the States whose figures had been doubted and which of the States revised their estimates as a result of the scrutiny by the Ministry and to what extent. In a note furnished to the Committee, the Ministry of Agriculture stated:

“The estimates of losses of food production due to drought reported initially by the States were checked up by the Area Officers during their visits by going through the material and information in possession of the State Government, corroborated by field visits. In fact, the State Governments were continuously in the process of re-assessing the loss of foodgrain production in the light of the rainfall and crop situation during the critical period of crop growth and the Area Officers were associated fully with this process of re-assessment. The losses tended to decline wherever favourable rains were received. The following table shows the earlier estimates of decline in kharif foodgrains production during 1972-73 as compared to 1971-72 in respect of the major States and the later estimates based on the final estimates of production reported to the Ministry of Agriculture:

(Lakh tonnes)		
Name of State	Earlier estimate of loss	Actual increase (+) decrease (—) in production of kharif foodgrains in 1972-73 over 1971-72
Assam	3.75	(+ )2.44
Andhra Pradesh	20.00	(—)7.61
Bihar	28.80	(+ )0.20
Madhya Pradesh	7.00	(+ )0.11
Maharashtra	15.70	(—)10.70
Orissa	8.90	(+ )3.53
Gujarat	12.00	(—)16.01
Uttar Pradesh	24.00	(+ )8.48
Haryana	6.00	(—)12.38
Karnataka	5.00	(—)9.56
Rajasthan	13.00	(—)8.76
Tamil Nadu	2.50	(+ )1.79



The Committee also asked whether, when it came to notice that the estimates of the State Governments were exaggerated, the Cabinet had been apprised that the earlier estimates were premature and that the objectives sought to be achieved under the EAPP were not practicable. If this had been done, the Committee requested the Ministry to furnish the relevant extracts of the notes submitted to the Cabinet in this regard. The Ministry of Agriculture declined production of these documents on the ground that their disclosure would be 'prejudicial to the interest of the State'.

2.58. The Committee enquired what would be the margin of errors in the estimates based on crop cutting experiments. The Secretary, Ministry of Agriculture replied:

"The margin of error would go further down. At the all India level the margin of error is approximately two per cent. Theoretically it is less than 2 per cent. But for administrative purposes, we have always taken it as 2 per cent. If you go down to State level, the margin of error increases, if you go down to the district level, the margin of error further increases. Some error will be in the positive direction and some in the negative direction. So, the errors cancel one another to some extent. But a net error remains and it may be either plus or minus."

2.59. Under these circumstances, the Committee desired to know how the large differences between the estimates and actuals of production could be accounted for. The witness stated:

"The estimates of production based on crop cutting estimates are released only as the final estimates of production come, that is, nearly six or eight months after harvest. The earlier estimates are really a broad assessment of the State Governments compiled by us which we are required to make from time to time because the Government want us to give them some idea about it. At the administrative level, we would not like to give any estimate prematurely."

In reply to another question as to the bases on which estimates of production are prepared for briefing the Ministers, the witness stated:

"These estimates are based on the reports of the State Governments cross-checked by the reports of the National

Sample Survey officers and some of the inspectors of the Economic and Statistics Directorate of the Ministry of Agriculture who are posted in different areas to check on the methods that are being used by the State machinery for the statistical work. We get the figures from the States and we adjust the figures downwards or upwards."

2.60. When the Committee pointed out that the estimates were, therefore, only guess-work, the Secretary, Ministry of Agriculture replied:

"We get the detailed figures of rainfall weekly and even daily. The daily figures that we get from the Meteorological Department are not complete. Based on the rainfall pattern in different areas, trying to find in which previous year the rainfall was exactly like that in that particular State or in that particular region and what was the production then, we correct the estimates that we receive from the States either downwards or upwards. All the estimates come at different stages, until the crop cutting estimates from the whole country have become available, have been analysed and have been corrected through statistical processes, the final estimate cannot really be given."

The Committee desired to know the time taken for working out the final estimates. The witness stated:

"For the major crops, it takes about 6 to 8 months. The time-table lays down 4 months after the harvest. There is a time-table by which different kinds of reports are to come from State Governments at different points of time. The last report is to come four months after the harvest. In actual practice, we have never been able to get the reports 4 months after the harvest from any State. After repeated reminders and even visits by our officers to States, getting them to sit down and do the calculations which they have not done in many cases and even helping them to make calculations, we physically get the reports in the sixth or seventh or eighth month after the harvest."

2.61. Referring to the estimates made by the Ministry for the use of Ministers based on the reports from the States, the Committee enquired about the margin of error in these estimates. The witness replied:

"The margin of error from any State can be anything from 5 to 10 per cent. It will not exceed 10 per cent in any

case. An estimate with an error of 10 per cent can be made even on the basis of weekly rainfall chart because we have statistics available of previous years in which the rainfall was similar. We also have statistics of changes in area under different crops. Areas under some crops are decreasing; areas under some other crops are increasing. Then, areas under some crops are decreasing in some regions and increasing in other regions. We can take the area figures of previous years to get at the area figures of the current year. Looking at the rainfall pattern, we try to make an estimate. Left to ourselves, we would not like to make that estimate. But we are compelled to make the estimate not only to satisfy the public and the representatives of the public who want to know what the crop is going to be like, but also to help the Government in taking decisions about the food policy in regard to the support price or the procurement price or the import policy. These things cannot wait for so many months after the harvest. So some *ad hoc* decisions based on whatever estimate is possible have to be taken at certain stages. Otherwise, it becomes too late."

2.62. The Committee pointed out that the feasibility and practicability of a programme of the magnitude contemplated under the EAPP should have been properly assessed by the technical Ministry concerned. The Secretary, Ministry of Agriculture replied:

"I can only say that the assumptions made at the time when the project was evolved were over-optimistic."

2.63. The Committee asked whether it was not the duty of the executive to tell those in charge of Government that the estimates made for the EAPP were premature and not quite correct and that the objectives envisaged under this special crash programme were not practicable and pointed out that the Ministry apparently had failed to perform these duties. The Secretary, Ministry of Agriculture replied:

"That is your judgement. I can only submit the facts as far as I am able to ascertain or verify them. The judgement or conclusion I would leave to the hon. Members of this Committee."

2.64. Since notings are done in the Secretariat both at the Central and State levels and also by the financial wing and by field officers

whenever a scheme is processed, the Committee desired to know whether all these things were done in the case of the EAPP. To this query, the Secretary, Ministry of Agriculture, gave the significant reply:

“Obviously, all these things were not done in the EAPP.”

2.65. The Committee asked whether, at the commencement of the project, the Ministry was not equipped with a forecast based on a study of the extent to which the expectations of the EAPP could be fulfilled. The Secretary, Ministry of Agriculture replied:

“I am quite sure the hon. Chairman and many members of the Committee would be remembering the kind of atmosphere that was prevailing in the country in August 1972 and the clamour that was there to deal with the drought. The programme to make up the losses had to be prepared in a hurry. It is nobody's case that this was a well-thought-out and well-investigated programme. After this programme was launched, the refinements and precautions that ought to be taken started becoming obvious, and these were introduced at different stages of time, to the extent possible.”

2.66. When the Committee observed that the decision in regard to the special programme was taken because it was essentially a political decision and the Ministry had failed to perform its duty as the adviser to the political decision makers and pointed out that this was not a realistic way of approaching things, the Secretary, Ministry of Agriculture replied:

“I do not consider myself competent to answer this question.”

#### *Financial Control*

2.67. The Committee learnt from Audit that in the Note dated 4th August 1972, it had been stated that ‘in view of the urgency of the situation, it has not been possible to obtain the comments of the Planning Commission, and Ministries of Finance, Irrigation and Power and other concerned Ministries on this note’ and that direct powers of financial sanction were sought by and given to the Ministry of Agriculture. Since Government approval for the EAPP had been obtained prior to obtaining financial concurrence, the Committee asked whether it was the normal practice when any new

scheme was undertaken and, if not, how a deviation was made in this case. The Secretary, Ministry of Agriculture stated in evidence:

"This is not the normal practice. It was a very abnormal procedure which was adopted in this particular case because of the abnormal situation in which the Ministry of Agriculture in the Cabinet had effectively to intervene at that time."

2.68. In reply to another question of the Committee whether the granting of powers of direct sanction to an Administrative Ministry was a normal practice and, if not, why a special cell of the Ministry of Finance had not been created for specifically overseeing the implementation of this programme, on which Rs. 250 crores were to be spent, the representative of the Ministry of Finance stated:

"The Ministry of Agriculture moved the Cabinet for special authority to sanction expenditure under this scheme without following the normal procedure of getting the concurrence of the Finance Ministry. Since that was approved by the Cabinet, the Ministry of Finance did not consider it necessary to set up a special cell because that cell then would not have had the necessary authority as the expenditure would have been incurred by the administrative Ministry on their own without reference to the Ministry of Finance."

2.69. Since generally the Ministry of Finance exercises control over all the expenditure, the Committee desired to know why this was not followed in this particular case. The witness stated:

"What was done at the instance of the Cabinet Secretariat was that a team of Joint Secretaries from different Ministries was set up to oversee the implementation of the programme. That included one Joint Secretary from the Ministry of Finance also, the Joint Secretary of the Plan Finance Division."

2.70. The Committee asked whether the Joint Secretary of the Ministry of Finance, who was a Member of the Review Committee of Joint Secretaries, had furnished any reports to the Finance Ministry on the feasibility of various schemes under the EAPP and their pro-

gress. In a note furnished to the Committee in this regard, the Ministry stated:

"The Review Committee of Group of Joint Secretaries was constituted to assist the Secretaries Committee in monitoring the EAPP...the then Joint Secretary, Plan Finance Division, Ministry of Finance was a member of this Committee. JS (Plan Finance) was not required to submit separate reports to the Finance Ministry. However, issues arising in some of these meetings were brought to the notice of the Finance Ministry in file. No separate report was submitted in this connection."

2.71. The Committee desired to know whether the Ministry of Finance ventured upon any periodical supervision of the schemes under the EAPP. The representative of the Ministry of Finance deposed during evidence:

"I would like to reiterate that we were kept out of the picture under orders of the Cabinet at the instance of the Ministry of Agriculture. It is true we were informally consulted by the then Secretary of Agriculture before they issued a formal sanction order. At that time we suggested that since additionality of production was the only justification for the scheme, it would be necessary to stipulate adequate safeguards in the sanction letter. That is why we were consulted in the matter of issue of the sanction letter. Since the Ministry of Agriculture, at their request, were given full powers and the Planning Commission and the Finance Ministry were to be kept out of the picture, it was no part of our responsibility and also, I believe, we did not have the authority."

2.72. In reply to another question whether the Ministry of Finance had examined the EAPP proposals and, if so, what data or information it had to satisfy itself that the results would be achieved, the Ministry of Agriculture stated in a note:

"The EAPP was sanctioned by the Cabinet on a special basis and the Ministry of Agriculture were not required to get individual schemes under the programme approved by the Ministry of Finance according to the normal procedure. However, while placing funds at the disposal of the Ministry of Agriculture, the Finance Ministry laid down elaborate conditions subject to which the loans for

minor irrigation would be given to the State Governments. These conditions were communicated to the State Governments for guidance and compliance. The State Governments' proposals, after initial examination of their technical feasibility by the concerned Area Officers, were examined by the Internal Finance Division of the Ministry of Agriculture in the light of the conditions...and administrative approval was accorded only after obtaining categorical assurances from the State Governments. Observance of these conditions by the State Governments was ensured through frequent visits of the Area Officers to their respective States and periodical (weekly) progress reports from the State Governments. Before releasing the last instalments of minor irrigation loans, detailed discussions were held with the concerned State Governments in Delhi towards the end of March 1973 and the releases were made only after satisfying ourselves that the State Governments had fully utilised the normal Plan provisions, as stipulated by the Ministry of Finance.

2.73. The Committee were informed by the Ministry of Agriculture that the terms and conditions and guidelines governing the release of loans to State Governments had been communicated in d.o. letter No. 4283-FS/72 dated 26th August 1972 from the Finance Secretary to the Secretary, Agriculture. The terms and conditions stipulated in this letter, a copy of which had been furnished to the Committee by the Ministry of Agriculture, were as follows:

"It is presumed that the Ministry of Agriculture has taken full account of the provisions made under other Central Schemes, e.g., Small Farmer Development Agency, marginal farmers and Agriculture Labour Projects. Dry Farming Schemes. Drought Prone Areas Programmes, Crash Schemes for Rural Employment and similar schemes and to the extent possible these will be dovetailed.

We have examined the matter and concur in the following proposals:

- (i) Ministry of Agriculture may provide assistance to States in the current year upto Rs. 100 crores for additional minor irrigation schemes. This amount includes Rs. 50 lakhs as subsidy for tubewells and pumpsets in

the border districts of Punjab. The remaining amount will be provided as loans which will carry the same terms and conditions as the loans given for State Plans.

- (ii) The provision of Rs. 60 crores in the Agriculture Ministry's budget in the current year for short-term loans for agricultural inputs will be increased to Rs. 100 crores. Fifty per cent of the short-term loans given to any State will be recovered in six months and the remaining 50 per cent in nine months.

The other proposals in your letter relating to subsidies for minor irrigation schemes in other States and for plant protection measures will be considered after the Agriculture Ministry has discussed the matter further with the Planning Commission.

The emergency agricultural production programme will be treated as a Central Sector Plan Scheme. Ministry of Agriculture may issue the administrative approval of the schemes to the States and also sanctioned the first instalment of the assistance on this basis. As this is not a new service, release of funds will be no problem. Provision of additional funds, if necessary, will be made in the supplementary budget, proposals for which may be sent to us at the appropriate stage. This applies to provision for short-term loans also.

While the short-term loans for agricultural inputs may be given by the Ministry of Agriculture on the normal basis, keeping in view the requirements of States, their capacity of utilisation and the availability of seed and fertilisers, the clearance of the minor irrigation schemes should be subject to the following specific conditions:

- (i) The assistance to States will be related to specific identifiable schemes over and above the provision already made in the States Annual Plan outlays of 1972-73. In order that the provision already made in the Annual Plans of States, for the agricultural programmes in general and the minor irrigation programmes in particular is not diverted to other programmes or schemes, State Governments should be told clearly that any shortfall in the approved outlays for these programmes will involve a corresponding reduction in the additional assistance for the emergency programme.



- (ii) The loans to States should be given in instalments. The first instalment of 25 per cent may be given as an advance immediately. The second and subsequent instalments, which may be 25 per cent each of the amount may be released after a review of the progress of expenditure and performance from time to time. The last instalment may be released subject to review of the progress of the normal plan provisions and the progress of the special programmes under this head.
- (iii) For purposes of release of funds after the first instalment, the Agriculture Ministry should obtain monthly progress reports of expenditure actually incurred on the programme. A mere transfer of funds from State Government to institutions like the Agro-Industries Corporations, the State Electricity Board etc. will not be counted as expenditure.
- (iv) The scheme selected for execution by the State Governments should be such as can be completed within the current financial year or by May 1973 latest. In any case no expenditure should be allowed to be incurred by the State Governments beyond the 31st March 1973. In case of schemes spilling over in 1972-73 the provision of funds for completing the schemes would have to be met by the State Governments from their own resources."

#### *Monitoring arrangements.*

2.74. According to paragraph 3.01 of the Audit Report, seven senior officers of the Ministry of Agriculture had been designated as Area Officers and placed in charge of specific groups of States. They were to visit the States allocated to them, examine schemes proposed for the EAPP, make financial allocations on the spot and keep a close track of the implementation. A special cell was also created in the Ministry to be in charge of the programme, to review progress at weekly intervals and keep the Planning Commission, Ministry of Finance and the Cabinet Secretariat informed.

2.75. A copy of a d.o. letter issued by the Secretary, Ministry of Agriculture to the seven Area Officers in this regard on 5th

August, 1972 furnished by the Ministry, at the instance of the Committee, is reproduced below:

"I am enclosing a copy of the Note\* which has been submitted to the Cabinet detailing measures to cope with the unseasonal monsoon conditions. The Note has still to be approved by the Cabinet, but since production programmes have to be initiated without delay, the Cabinet Secretary and the Planning Commission have authorised deputation of officers of this Ministry to visit the States and give a push to the programmes more or less in accordance with the guidelines set forth in the Note for the Cabinet. The States might be given promise of Central assistance to the production programmes which will become immediately effective and upto the rabi and summer crops of the crop year ending June 1973. This assistance will be over and above the assistance agreed to in connection with the Annual Plans of the States

It is not necessary to repeat in this letter the point for action at the States' and as brought out in the Note for the Cabinet. You will be taking up these with the States and also listing such practical suggestions as are not covered. The following three aspects may, however, be particularly kept in view:

- (i) Since the idea is to get production oriented schemes substituted for entirely distress schemes as far as possible, the volume of employment to be created by the production schemes should be noted.
- (ii) A system of regular reporting and liaison with the State placed at your charge should be firmly settled.
- (iii) Any figure of total outlay for the country on production schemes should not be given to any State.

The State(s) placed in your charge as well as in the charge of other officers are:

- |              |   |
|--------------|---|
| 1. Shri..... | U.P.                                    |
| 2. Shri..... | Andhra Pradesh and Mysore               |
| 3. Shri..... | West Bengal and North<br>Eastern tract. |
| 4. Shri..... | Rajasthan and Haryana                   |
| 5. ....      | Maharashtra and Gujarat.                |
| 6. Shri..... | Madhya Pradesh                          |
| 7. Shri..... | Orissa and Bihar.                       |

\*As stated earlier in paragraph 2.37, this Note was not furnished to the Committee by the Ministry of Agriculture on the ground that its disclosure would be 'prejudicial to the interest of the State'.

You may kindly arrange to visit your State(s) immediately and finalise the action programme. Subsequently, receipt of reports and progress of implementation will be your responsibility. You will, naturally, keep me informed through progress reports and verbal discussion and kindly bring up unsettled issues to me for decision."

2.76. The Committee desired to know the overall outlay in respect of EAPP schemes that each Area Officer was responsible for in the States under his charge and whether the Area Officers were engaged solely on this task or concurrently holding other responsibilities in the Ministry of Agriculture. In a note furnished to the Committee, the Ministry of Agriculture stated:

"The Area Officers were put in charge of specific States as indicated below:

Officers designated as Area Officer	States allocated
1. Additional Secretary (Department of Agriculture), subsequently Secretary, Department of Agriculture.	Kerala and Tamil Nadu.
2. Special Secretary (Department of Community Development and Co-operation), subsequently Chief Engineer (MI), (Department of Agriculture).	Uttar Pradesh.
3. Additional Secretary (Department of Community Development and Co-operation), subsequently Joint Commissioner (CC), (Department of Agriculture.)	Andhra Pradesh and Karnataka
4. Additional Secretary (Department of Agriculture)	West Bengal, Assam and North-Eastern States.
5. Joint Secretary (LR), (Department of Agriculture subsequently Joint Secretary (Department of Community Development and Co-operation).	Maharashtra and Gujarat.
6. Joint Secretary (C) (Department of Agriculture).	Madhya Pradesh.
7. Joint Secretary (L), (Department of Agriculture).	Punjab, Haryana, Rajasthan and Himachal Pradesh.
8. Agriculture Commissioner subsequently Joint Commissioner (P), (Department of Agriculture).	Bihar and Orissa.

The Area Officers attended to this work in addition to their other responsibilities."

2.77. The Committee were given to understand by Audit that the Ministry of Agriculture had informed Audit that 'on account of

other prior engagements, most Area Officers were not in a position to make visits to the respective States'. The Committee, therefore, desired to know the number of occasions when the Area Officers had visited the States at the Block level. A representative to the Ministry of Agriculture stated:

"Reports of Area Officers which we received from time to time whenever they visited the States indicated that they used to visit selected sites of important projects which have been taken up under the EAPP. There is mention of their observations based on their field visits."

In reply to another question whether the Area Officers had reported in writing on the progress of works, expenditure incurred, etc., the Secretary, Ministry of Agriculture replied:

"All of them did submit reports after every visit to the State for which they were Area Officers and these reports contained not only the discussions which they had with the State Government officials at headquarters but also the result of their visits to the sites."

2.78. The Committee asked whether these officers visited only the capitals of the States or whether they actually visited the places where works under the EAPP were in progress. The witness replied:

"They did visit some areas where work sanctioned under the EAPP was in progress. But such work was in progress in thousands of schemes in hundreds of villages. Actual verification of all the work would require several hours of journey in the scrutiny of each of these schemes. The number of test checks they could perform in the field was, in the very nature of things very small."

2.79. The Committee desired to know how the Area Officers had satisfied themselves that the schemes cleared by them in the course of barely two weeks (4th August 1972 to 14th August 1972) were in fact realistic. In a note, the Ministry of Agriculture stated:

"Specific guidelines were given to the Area Officers as to the types of minor irrigation works in different areas which could be considered quickly executable and should, therefore, receive priority. The Area Officers could easily

identify such schemes after detailed discussions with the State Governments supplemented by field visits."

2.80. The Committee enquired as to what information each of the Area Officers in charge of Maharashtra, Gujarat, Andhra Pradesh and Karnataka had on the rainfall in each of these States by the end of August and September 1972. The Ministry stated in a written note:

"The Area Officer in his tour report dated the 9th August 1972 relating to Andhra Pradesh stated that monsoon had not yet arrived after the July break and that the State officials felt that if some rain was received in the remaining weeks of August, it should be possible to replant some areas, with some high-yielding varieties. In his tour note from 14th to 17th September, he stated that some districts had received rains during the preceding weeks and preparatory tillage was in progress. Further planting operations would no doubt depend on receipt of more showers in the next week or two.

As regards the rainfall in Karnataka it was stated in the tour report of August 14, 1972 that the season started with hopefully good rainfall in the months of April and May. Later on, however, there had been a total absence of rains in the Eastern and North-Eastern districts from the middle of June onwards and the continuous drought for six weeks had created scarcity conditions in parts of 16 out of 19 districts of the State.

As regards Gujarat, the Area Officer in his tour report dated 8th August, 1972 stated that the drought situation had affected almost the entire State, except three southern districts. There was very little rainfall till the third week of June which inevitably delayed sowings. Rainfall was almost normal between 20th June and 10th July. However, since 10th July, rainfall had been very scanty almost all over the State. Because of this prolonged drought there had been no transplanting in areas where paddy was grown and standing crops were withering. Even drought resistant crops like bajra and jowar were in bad shape.

Maharashtra experienced scarcity conditions for the third year in succession. The monsoon came in 1972 rather

late only in the third week of June. There were rains in the last week of June and early in July. Extensive areas of the State faced prolonged drought during the period after the 10th July. The worst affected areas were Aurangabad and Poona Division and Nagpur Division."

2.81. In reply to a question whether the State Governments also were expected to submit periodical progress reports to the Centre, the Secretary, Ministry of Agriculture stated:

"They were required to submit weekly reports about utilisation of the funds. A form was also prescribed for this, but the reports were not received regularly. Even when they were received, they were not received every week and not always in the prescribed form."

The proforma prescribed for the weekly progress reports, a copy of which was furnished to the Committee by the Ministry, is reproduced at Appendix 'C'.

2.82. The Committee desired to know, how many States had furnished these reports by the due dates prescribed. In a note, the Ministry of Agriculture replied:

"These reports were received from all States upto the end of March 1973. The State Governments were generally regular in sending the returns. After the end of the financial year, the State Governments were requested to furnish figures of actual expenditure incurred on various schemes and some further data were received in response to this request."

2.83. The Committee called for copies of the findings of the periodical reviews conducted by the Review Committee of Joint Secretaries from time to time in respect of schemes under EAPP. The Ministry of Agriculture however, thought fit to decline to furnish these reports to the Committee on the ground that their disclosure would be 'prejudicial to the interest of the State'.

2.84. The Committee desired to know the mechanism with the Ministry of Agriculture, independent of the States, for assessing the production of foodgrains in the States. The Ministry of Agriculture stated in a note:

"The Ministry of Agriculture has at present no arrangement for an independent assessment of the production of food-

grains in the States. However, on behalf of the Ministry of Agriculture, the National Sample Survey Organisation organises supervision of the field work of area enumeration and crop-cutting experiments carried out by the State Governments. The supervision till recently has been largely to ensure uniformity in concepts, definitions and procedures rather than building up independent estimates of area and production. On the recommendation of the Ministers' Group on Administration, a scheme for improvement of crop statistics has been jointly sponsored by the Ministry of Agriculture and the Department of Statistics (NSSO) for undertaking supervision on a sufficiently large scale to be able to provide correction factors of both area and yield rates furnished by the State Governments. This programme of supervision provides for checking the accuracy of area enumeration in a sample of 10,000 villages and inspection at harvest, of crop-cutting experiments in a sample of about 20,000 fields distributed over different crops. The field work of supervision of both area enumeration and crop-cutting experiments would be shared equally by the NSSO and the State statistical staff. The Ministry of Agriculture has agreed to extend financial assistance to the State Governments for augmenting the supervisory staff to be able to undertake the programme of supervision on the desired scale. Since the supervision provides for covering a sufficiently large sample of villages and experiments, it should be possible to build up estimates of area and yield rates to meet the requirement of advance estimates of the Ministry of Agriculture for principal crops at the State and all-India levels. The supervision is also expected to provide sufficient evidence to indicate directions in which long-term improvement is necessary in the procedures of collection and compilation of statistics of area and production of crops."

### *Minor Irrigation*

2.85. The Emergency Agricultural Production Programme, as finalised in September 1972, envisaged an outlay of Rs. 152 crores, on minor irrigation to be financed by the Central Government by medium-term loans against which Rs. 148.14 crores were actually given to the States. The Committee desired to know what was the normal Annual Plan approved by the Ministry of Agriculture for

minor irrigation in each of the States, how this outlay compared with each of the previous three years' Annual Plans for minor irrigation and the total percentage increases, both in terms of increase in outlay and irrigated area, as a result of the minor irrigation programmes contemplated under the EAPP, as compared to the Plan programme for 1972-73 for each of the States. A statement furnished to the Committee by the Ministry of Agriculture, showing the actual expenditure during 1969-70, 1970-71 and 1971-72 and the approved outlay during 1972-73 for minor irrigation under the normal Plan programme, the outlay sanctioned for the EAPP during 1972-73 and the State-wise percentage increases is reproduced in Appendix 'D'. Another statement, also furnished by the Ministry, showing the targets and anticipated achievements under the normal programme and the EAPP during 1972-73 is reproduced in Appendix 'E'.

2.86. The Committee enquired into the reasons for the Ministry projecting that such increases in outlay under the EAPP over and above the 1972-73 Plan outlay for minor irrigation would be successfully accomplished in 6 to 7 months of the rabi season. In a note furnished to the Committee, the Ministry of Agriculture stated:

"Minor irrigation schemes under the Emergency Agricultural Production Programme of 1972-73 were sanctioned after examining the details as regards the technical scope and feasibility of the schemes in various regions, the organisational capability of the States to implement the programmes within the specified period, the availability of key materials and equipment required for implementation of schemes and the expected increased food production potential of the schemes. The Area Officers discussed the individual programmes in detail with the concerned State officers and the programmes to be taken up under the Emergency Agricultural Production Programme were approved on the basis of their recommendations. As regards the scheme-wise success in implementation of the normal annual minor irrigation programme during 1972-73, it may be stated that against the approved outlay of Rs. 101.48 crores, the actual expenditure on the programme is anticipated to be Rs. 109.98 crores i.e. an excess of Rs. 8.50 crores. Under the EAPP, the entire approved outlay of Rs. 148.14 crores was totally utilised."

2.87. Details furnished by the Ministry of Agriculture, at the instance of the Committee, indicating, State-wise, the dates on which



(a) the Internal Finance Division of the Ministry of Agriculture had received the proposals relating to minor irrigation from various States, (b) these proposals were cleared by the Division for administrative approval, and (c) administrative approval was accorded for each proposal, are reproduced in Appendix 'F'.

2.88. The Committee desired to know whether the Ministry of Agriculture had assessed the likelihood of the minor irrigation schemes, under the EAPP, being completed in time for the rabi sowing and for, areas which have a summer crop, in time for the sowing of the summer crops and whether these assessments were borne out in the implementation. In a note furnished to the Committee, the Ministry stated:

“Under the EAPP, only such minor irrigation programmes were taken up as could be completed in time to benefit the rabi/summer crops of 1972-73. A close watch was kept on the progress of implementation through the visits of the Area Officers to their respective States, periodical progress reports received from the States and discussions with the States arranged from time to time at the All-India level. The available information pointed to the possibility of most of the works being completed in time to benefit the rabi/summer crops.”

2.89. The Committee asked whether the minor irrigation and lift irrigation schemes submitted by the various States had been scrutinised by the Ministry. The Secretary, Ministry of Agriculture replied in the affirmative and stated:

“They were scrutinised on the basis of certain broad criteria such as if some minor irrigation schemes depending on ground water are to be implemented, we check them up with whatever information we have about groundwater availability in the area. The assumption that certain areas are being benefited by a certain volume of water, will be checked again and conclusion drawn as to the volume of water required for growing such crops in that particular part of the country. These broad checks on the basis of rule of thumb formula or the basic considerations were exercised in the Ministry of Agriculture but a detailed check of the estimates and plans and specifications on the ground was just not possible from Delhi. Probably, it is not possible even from State headquarters.”

### **Package of Practices**

2.90. The Committee were informed by Audit that the ICAR Monograph on EAPP had, *inter alia*, recommended the following:

“Intensive soil-testing drives would be necessary. Extension agencies of State Governments Agricultural Universities, would have to be mobilised for extra efforts. IARI to organise short-term training courses on water-management.

A vigorous campaign be launched involving scientists, extension workers, students, teachers and farmers, for advocating/demonstrating the ‘package of practice’.”

2.91. The Committee desired to know how many scientists or teams were deputed to the field for intensive soil testing drives and in which States. In a note, the Ministry of Agriculture stated:

“All States organised soil-testing campaigns with emphasis on training of farmers and publicity through radio regarding the use of fertilisers on the basis of the results of soil tests.”

2.92. The Committee asked what extension agencies in each State were mobilised and how they contributed to the success of the EAPP. The Ministry replied in a note:

“The State Governments were instructed in the beginning of the EAPP to work out Action Programmes in which clear-cut responsibility should be fixed on each individual extension worker for implementation of the programme and a time-schedule laid down for completion of each item of work. The staff and students of Agricultural Universities were also directed to take up extension work themselves and assist the extension workers in their areas to boost up the production of crops.”

2.93. In reply to another question on the number of water management training courses that were organised in order to be of effective help during the CAPP, the Ministry stated:

“A total number of 7 water management training courses were organised at the Water Technology Research Centre at I.A.R.I. involving about 140 trainees in all. With regard

to the training courses organised elsewhere in the State, no information is available."

2.94. With reference to the involvement of scientists and students recommended by the ICAR, the Committee desired to know "how many scientists or students were involved, in each of the States, during the EAPP." Unhappily, the Ministry of Agriculture stated in a note: "No information is available." The Committee felt that this was a fine instance of planning without the participation of the people, even without the association with the youth and with the scientists.

## SECTION III

### ARRANGEMENTS FOR INPUTS

#### Audit Paragraph

##### *Fertilizers*

3.1. As mentioned earlier, 18.79 lakh tonnes of nutrients were planned between October 1972 and March 1973, against the States' actual requirement of 22 lakh tonnes. Till January 1973 by when almost the entire quantity of nutrients was required, the total that would be available was 15.64 lakh tonnes, including 4.92 lakh tonnes to be produced, and 4.40 lakh tonnes to be imported. Of this deficiency, the major shortage of 2.71 lakh tonnes was in nitrogenous fertilizer and the balance of 0.48 lakh tonnes in phosphatic fertilizers. Thus overall shortage was about 17 per cent; nitrogenous fertilizers were deficient by 21.6 per cent.

3.2. The shortfall in availability was due to both production and import being less than planned. Production of fertilizers was less by 2 lakh tonnes in December 1972 than originally planned because of reduced power supply to F.C.I.'s fertilizers plants at Nangal and Trombay, labour trouble in F.C.I.'s Gorakhpur plant, Indian Explosives Limited, Kanpur plant and in FACT and Madras Fertilizer Limited and because of technical troubles at Neiveli and Sindri plants. Only 0.46 lakh tonnes of fertilizers were received from abroad against orders for 4.36 lakh tonnes placed.

##### *Fertilizers available in States*

3.3. As mentioned earlier, much lesser quantities were available than required, especially for the rabi crop.

3.4. Shortages were reported from most States. Punjab and Haryana had complained of acute shortage. In Assam, Karnataka, Rajasthan and West Bengal shortages of 25 per cent or more were reported. In Rajasthan the quantities available for distribution were also less because of the inability of the representatives of the State Government to lift, in time, allotments made to the State. In Maharashtra, 0.61 lakh tonnes of nitrogen were allotted against

the requirement of 0.54 lakh tonnes, but 0.31 lakh tonnes remained undistributed. Against a total requirement of 0.63 lakh tonnes of 'P' and 'K', 0.40 lakh tonnes were allotted, out of which 0.11 lakh tonnes were not distributed. In Assam, 1637 tonnes of fertilizers remained unutilised till March 1973 in 5 districts test-checked out of 6094 tonnes received.

#### *Foliar application of Urea*

3.5. The Indian Council of Agricultural Research monograph circulated to the States had recommended foliar application of urea to unirrigated wheat by both aerial spraying and ground spraying. Accordingly, the Ministry of Agriculture had proposed initially to so cover two million hectares under this scheme. Finally, spraying of 11 lakh hectares was sanctioned in December 1972—10 lakh hectares by ground spraying and one lakh hectares by aerial spraying. Ground spraying was planned in twelve States, the major areas being in Uttar Pradesh (5 lakh hectares), Maharashtra (1.60 lakh hectares), Madhya Pradesh (1.25 lakh hectares) and Punjab (0.70 lakh hectares). Aerial spraying was planned in six States, the major areas being in Madhya Pradesh (0.40 lakh hectares) and Punjab (0.40 lakh hectares).

3.6. Later, the State Governments of Maharashtra and U.P. indicated that they would not be able to take up aerial spraying of urea while Punjab Government indicated that it would be able to cover only 30,000 hectares under aerial spraying. Rupees 57.66 lakhs were paid to five State Governments, viz., Bihar (Rs. 1.50 lakhs), Haryana (Rs. 4.50 lakhs), Madhya Pradesh (Rs. 22.50 lakhs), U.P. (Rs. 15.66 lakhs) and Punjab (Rs. 13.50 lakhs).

3.7. Progress in foliar application was reported by only Haryana and Madhya Pradesh which reported that 8816 hectares and 49234 hectares respectively were covered upto 23rd February, 1973 and 1st March, 1973. The extent of foliar application was not reported by any other State.

#### *Seeds*

3.8. Responsibility for arranging seeds rested with the State Governments. The Central Government had made available 1.35 lakh tonnes of good quality wheat to eight States including Uttar Pradesh, Bihar, West Bengal, Andhra Pradesh and Maharashtra. Drought-affected States had also been advised that further requirements of wheat seeds might be met from the States' stocks of

foodgrains after conducting germination and physical purity tests; their stocks would be replenished by the Food Corporation of India. The Railways had been asked to accord high priority to movement of food stocks.

3.9. The State Governments in turn made arrangements only to meet part of the requirements, effort being concentrated on the grant of taccavi loans to cultivators, *inter alia*, for purchase of seeds. In Bihar, 2.78 lakh quintals of wheat seeds and 0.10 lakh quintals of gram seeds were procured by the State Government. Some of the wheat seeds and most of the gram seeds were not sold as seeds.

3.10. Against 6.97 lakh quintals of seeds required, 5.25 lakh quintals were distributed in Karnataka.

3.11. In Rajasthan it was estimated that 2.79 lakh quintals of wheat seeds, 1.08 lakh quintals of gram seeds and 0.78 lakh quintals of barley seeds would be required against which 0.17 lakh quintals of wheat seeds, 0.01 lakh quintals of gram seeds and 0.01 lakh quintals of barley seeds were procured and supplied by the Government.

3.12. In Uttar Pradesh while quantity of seeds distributed in the kharif season 1972-73 was the same as in 1971-72, quantity distributed in rabi was 2.10 lakh quintals in 1972-73 compared to 3.31 lakh quintals distributed in 1971-72. Expenditure on procurement and distribution of seeds during 1972-73 was Rs. 199.13 lakhs which was less than half the amount of Rs. 414.92 lakhs spent in 1971-72.

3.13. In Tamil Nadu 0.20 lakh quintals of paddy seeds were distributed against 0.26 lakh quintals planned.

3.14. At the Zonal Conference on Seeds held in New Delhi by the Ministry in July 1973, it was stated that the shortfall in supply of seeds in 1972-73 had high-lighted the need for proper assessment of requirements and for a seeds production programme on a sound basis. It was noted that the organisation for production of seeds appeared to be inadequate and a large number of agencies would have to be established for seed production, processing and distribution.

### **Pesticides**

3.15. No special arrangements had been made by Central Government for pesticides. Partly because one important pesticide,

BHC, was also being used for the national malaria eradication programme and partly because of shortage of power and of raw materials like chlorine, in 1972-73 there was acute shortage of some pesticides like BHC, DDT and Endrin which are important for agriculture. Shortage of Endrin was relieved partially by imports. But there was a general rise in prices not entirely prevented by lowering of customs duty.

3.16. In Assam 0.36 lakh hectares of rape and mustard were sprayed aeriaily in January 1973, and it was claimed that as a result 0.02 lakh tonnes of the crops were saved. Pesticides worth Rs. 2.53 lakhs were purchased from local dealers. Test check in five districts showed that out of pesticides worth Rs. 1.04 lakhs, pesticides valued at Rs. 0.42 lakh had not been issued.

3.17. It was noticed in Haryana in October 1972 that pests were attacking the rabi crop. Consequently, a short-term loan of Rs. 10 lakhs having been sanctioned by the Central Government, orders were placed on private trade for four pesticides valued at Rs. 7.46 lakhs and on the State Trading Corporation for Endrin (value Rs. 2.24 lakhs) in May 1973. The pesticide was received from the latter in June 1973. Another pesticide, Malathion U.L.V.C. (cost Rs. 2.88 lakhs) was used for sugarcane crop and not for EAPP food-grains.

3.18. In Karnataka, because of short supply 3.38 lakh litres of liquid and 7500 tonnes of dust pesticides were distributed against 14.85 lakh litres of liquid and 17,300 tonnes of dust pesticides required.

[Paragraph 11 of the Supplementary Report of the Comptroller and Auditor General of India for the year 1972-73, Union Government (Civil)]

3.19. The Committee desired to know the extent to which the Inputs, Crops and Minor Irrigation Divisions of the Agriculture Ministry had been consulted in the formulation of the EAPP and whether they had assessed the availability of fertilisers, seeds and pesticides and advised on the prevailing shortages of these inputs and advised that the substantial increases in the overall food production targets would not be affected by shortages of essential inputs. The Committee also desired to know the action taken by the Ministry of Agriculture to meet the anticipated shortages of each essential input. In a note furnished to the Committee in this regard, the Ministry of Agriculture stated:

"All concerned Divisions in the Ministry of Agriculture were fully involved in the formulation of the EAPP. No

shortage of seeds and pesticides was anticipated. With regard to fertilisers, however, considerable shortage was anticipated in relation to the total requirements of the States, specially in the context of the EAPP. The State Governments were immediately asked to put the available fertilisers to the best possible use and identify priority areas and crops which should receive preference in the matter of supply of fertilisers. The technical guidelines, developed by the ICAR, for maximization of output with reduced doses of fertilisers were circulated to all States, with the request that these should be given the widest publicity among the extension workers and the farmers, through all available mass-communication media like radio etc. The Fertiliser Promotion Wing of the Fertiliser Division of the Ministry launched a campaign all over the country for training and education of farmers in proper use of fertilisers. The State Governments were asked to check the stock position in godowns with a view to moving the stocks from areas where there was not much demand to the areas where this input was urgently required. They were also empowered under the Essential Commodities Act to ensure that the private dealers did not resort to hoarding and selling of the scarce fertilisers at black-market rates.

Shortage of power was also anticipated. In the first Conference of Chief Secretaries and Agricultural Production Commissioners of all States, held in New Delhi on 11th August 1972, all State Governments were alerted about power shortage and the power cuts which had been applied on various uses. They were advised to accord overriding priority to agricultural production in supply of power so that tubewells and pumpsets could be run round the clock for irrigation purposes. If necessary, immediate restrictions should be placed on the use of power for cinema houses, for domestic consumption and other non-agricultural usages so as to conserve maximum supplies for irrigation. Both the Ministry of Irrigation and Power and the Ministry of Agriculture issued necessary instructions in this regard to the Chairmen of the State Electricity Boards. One of the major steps taken in this regard was to reduce the supply of power to the Nangal Fertilisers Factory from 98 MW to 60 MW in order to divert the same for irrigation in Punjab and Haryana States."



3.20. Considering that enormous increases in the production of foodgrains were envisaged within one season, it was obvious that all necessary pre-requisites for increased production, namely, irrigation, seeds, fertilizers and pesticides, had to be made available simultaneously and there was no scope for delay on any one account especially since time was the essence of the Programme. The Committee enquired into the specific measures taken to ensure that all these items were available and in fact, reached the cultivator simultaneously. In a note, the Ministry of Agriculture replied:

“For successful implementation of the EAPP it was envisaged that all the critical inputs like irrigation, seeds, fertilisers and pesticides would be available in adequate quantity and in time when needed. So far as irrigation is concerned, the existing irrigation facilities were sought to be augmented by taking up quick-maturing minor irrigation works under the programme. With regard to fertilisers, since there was overall limitation on availability supplies both from imports (due to uncertainty in the world fertiliser situation) and domestic production (due to constraints on production) were not very regular, and stocks in hand were low, input availability in the season in many States fell short of the full requirement. In spite of this, special efforts were made to meet the requirements of certain important food-growing States like Haryana and Punjab. Besides, with a view to maximising production with the limited availability of fertilisers, some of the States undertook a programme of foliar application of urea on unirrigated wheat by ground and aerial spraying.

As far as seed is concerned, the State Governments initially did not anticipate any difficulty in meeting their requirements, except in the case of high-yielding wheat seed. The requirements of wheat seed totalled to about 1.35 lakh tonnes (of Kalyan, Sona and Sonolika varieties) which was met by releasing good quality wheat grain from the F.C.I. stocks, as the next best alternative to having such a large quantity of certified seed, which had not been grown in advance.

So far as pesticides are concerned, there was generally no problem. Most of the pesticides are manufactured in the private sector in the country and are sold through an

extensive network of retailers. In addition, the State Governments as also the State Cooperative Institutions procure pesticides for distribution.

For distribution of inputs to the farmers, the existing official as well as non-official channels were utilised to ensure that the supplies reached the cultivators in time.

State-wise information has not been furnished since the position regarding inputs did not vary materially from State to State."

3.21. The Committee asked whether the Ministry had undertaken any study in detail of the requirements of inputs such as improved varieties of seeds, fertilisers, pesticides, etc. to achieve the results envisaged under the EAPP. The Secretary, Ministry of Agriculture deposed during evidence:

"We did. But by the time this study was made the EAPP programme was already in progress at full speed."

In reply to another question whether the results of the study were not available before the Ministry could finally make up its mind whether the expectations could be fulfilled, the witness stated:

"It was the study that made us bring down the estimate from 15 million tonnes."

#### *Fertilisers*

3.22. The ICAR Monograph of EAPP had, *inter alia*, recommended as follows:

- (a) Application of zinc at 10—25 Kgs. 40 basal dose to optimise NPK response; and
- (b) Supply of super phosphate to gram-producing areas, i.e., Uttar Pradesh, Madhya Pradesh, Rajasthan and Haryana.

For the rabi basal dose of fertilisers, the application of phosphatic fertilisers is essential. The Committee learnt from Audit that the net requirement of phosphatic fertilisers was placed at about 2.70 lakh tonnes of nutrients (P<sub>2</sub>O<sub>5</sub>) by the Inputs Division of the Ministry of Agriculture.

3.23. The Committee desired to know in which areas of each State, zinc had been applied at the rate of 10—25Kgs./hectare, as recommended by Indian Council of Agricultural Research. The Ministry of Agriculture stated in a note:

“Zinc was applied, mainly to paddy and wheat, in Punjab, Haryana and Western U.P.”

3.24. The Committee asked how much super phosphate was supplied to the major gram-producing States by September 1972. In a written note, the Ministry replied:

“The following table shows the quantities of phosphate fertilisers supplied to these States during the month of September 1972:

*Supplies of P. during September :*

	(In tonnes)
Uttar Pradesh . . . . .	11,171
Madhya Pradesh . . . . .	1,982
Rajasthan . . . . .	466
Haryana . . . . .	157

It may, however, be mentioned that at the beginning of the rabi season, i.e. on October 1st 1972, three of the four States, held large quantities of stocks *vis-a-vis* the requirements of phosphate for the season. This can be seen from the table below:

State	Gross require- ments for rabi 1972-73	Stocks as on 1-8-1972
1. Uttar Pradesh . . . . .	69,000	37,660
2. Madhya Pradesh . . . . .	22,700	20,800
3. Rajasthan . . . . .	11,700	836
4. Haryana . . . . .	6,500	8,650

Thus, the gram-growing States had adequate stocks of phosphate fertilisers to meet the needs of the farmers.”

3.25. The requirements and supplies of phosphatic fertilisers made to each State before the 1972-73 rabi sowings were furnished

by the Ministry of Agriculture at the instance of the Committee. The following table indicates the details in this regard:

(In thousand tonnes)

State	Require- ment for rabi 1972- 73	Supplies during October 1972	Supplies during rabi (October— March 1972-73)
1. Andhra Pradesh	36.6	4.4	31.1
2. Assam	1.0	0.2	1.2
3. Bihar	..	0.9	2.7
4. Delhi	..	0.2	0.47
5. Gujarat	37.8	3.9	30.7
6. Haryana	..	0.2	3.0
7. Himachal Pradesh	0.5	..	0.20
8. Jammu & Kashmir	..	0.2	1.8
9. Kerala	3.1	1.8	8.3
10. Maharashtra	33.2	3.6	16.8
11. Karnataka	14.2	2.4	24.9
12. Madhya Pradesh	1.9	2.2	14.1
13. Meghalaya	0.6	0.08	0.3
14. Orissa	4.9	0.5	5.1
15. Pondicherry	0.79	0.25	0.63
16. Punjab	26.3	6.99	26.3
17. Rajasthan	10.9	0.50	7.3
18. Tamil Nadu	46.0	6.5	33.4
19. Uttar Pradesh	31.34	7.26	38.05
20. West Bengal	16.20	1.77	13.57
21. Manipur	..	..	0.2
22. Goa	0.42	..	0.27
TOTAL	226.0	43.99	277.9

The Ministry stated in this regard that during the month of October 1972, about 20 per cent of the requirements of phosphatic fertilisers for all the States taken together had been met and that

supplies during the entire rabi season were over 100 per cent of the requirements.

3.26. In reply to another question as to how much of the phosphatic fertilisers supplied to the States actually reached the cultivators prior to rabi sowings, the Ministry stated in a note:

“Detailed information about the sale of fertilisers to individual farmers in each State is not available. In fact this information is not being compiled even by the State Governments.”

3.27. On the question of availability of fertilisers for the EAPP, the Secretary, Ministry of Agriculture stated during evidence:

“Another problem that we came up against was in regard to fertilisers. The shortage of fertilisers was not envisaged. As you will recall, the situation in regard to price and availability of fertilisers worsened suddenly and steeply towards the end of October-November 1972. Between September 1972 and March 1973, prices of most popular brands of fertilisers in the world market increased two fold and in some places, three fold.”

3.28. According to paragraph 11.01 of the Audit Report, against the States' actual requirements of 22 lakh tonnes of fertilisers, only 18.79 lakh tonnes of fertilisers were planned for between October 1972 and March 1973. Since timely and uninterrupted supply of fertilisers was a basic pre-requisite for increased food production, especially through high-yielding varieties, the Committee desired to know the reasons for planning for the procurement of a quantity less than the actual requirements. The Ministry of Agriculture stated in a note:

“Prior to the year 1972-73 when there was no shortage of fertilisers, the States were allocated fertilisers in the quantities asked for. However, with the position of economic aid to the country changing towards the end of 1971, the need to realistically assess the requirements of fertilisers and to plan imports on a realistic basis came to be increasingly felt. The Committee of Economic Secretaries, therefore, set up a Working Group under the chairmanship of Shri... to go into this problem. After considering the various factors having a bearing on fertiliser consumption, the Group recommended that the assessment

of fertiliser requirements of the States for kharif 1972-73 should be based on an increase of 15 to 20 per cent over the consumption of the previous kharif season and for the rabi 1972-73 an increase of 20 to 25 per cent over the consumption of the previous season. Accordingly, the requirements of fertilisers for 1972-73 rabi season were estimated on the basis of an increase of 22 per cent over the actual consumption of the previous rabi season. For the rabi 1972-73, the States had indicated the requirements as 22.24 lakh tonnes of nutrients. After discussion with the State Governments in the Zonal Conferences, the realistic requirements of the States were assessed at 18.79 lakh tonnes of fertiliser nutrients. Therefore, it was not that the procurement was less than the quantity required since the realistic level of total fertiliser requirement of the country itself was assessed as 18.79 lakh tonnes according to a method recommended by the high-level Working Group set up in this regard."

3.29. *The Secretary, Ministry of Agriculture, had earlier informed the Committee that the fertiliser supply constraints came as a bit of surprise, because there was no difficulty in getting fertilisers near about July to September, 1972, but by November, 1972 the position changed dramatically and suddenly. The Committee, however, found from paragraph 11.02 of the Audit Report that while shortages of fertilisers were reported from most States, certain States, like Maharashtra and Assam, had been allotted fertilisers in excess of actual requirements and most of this quantity had also remained undistributed or unutilised. The Committee, therefore, asked why no arrangements were made to divert surplus fertilisers available in some States to the deficit States, when the shortage of fertilisers became known in November, 1972 so as to ensure optimum distribution and utilisation of a vital commodity. In a note furnished to the Committee, the Ministry of Agriculture replied:*

"It is not quite correct that the States like Maharashtra and Assam were allotted and supplied greater quantities of fertilisers than their requirements. In fact, the supplies of fertilisers fell short of the commitments made to them. Against the net requirement of NPK of Maharashtra amounting to 1,29,000 tonnes of nutrients, the actual supplies were 92,400 tonnes; in the case of Assam, the supplies to the State amounted to 6500 tonnes of NPK against the requirement of 11,400 tonnes. It is also not correct that most of the quantities of fertilisers supplied to these States remained unused. (A statement of stocks with the

various States, as in the beginning of February, 1973, furnished by the Ministry is reproduced in Appendix 'G'). It may be seen that the States were not carrying any disproportionately large quantities of stocks with them towards the end of the season. In this connection it may also be mentioned that in November, 1972, Secretary (Agriculture) addressed a letter (copy reproduced in Appendix 'H') to all the State Governments, asking them to review the position of stocks lying with the cooperatives, etc. and take necessary steps to dispose of the stocks during the rabi season."

### **Seeds**

3.30. The Committee desired to know whether the Ministry had assessed the requirements of seeds, in particular seeds of high-yielding varieties, required for the increases in acreage proposed under the EAPP and, if so, what these assessments were and how the seeds of high-yielding varieties were proposed to be procured and distributed and how much was actually done. The Ministry of Agriculture informed the Committee in a note:

"The State Governments had anticipated no difficulty in meeting the seed requirements, even of high-yielding varieties of crops covered under the EAPP. In the case of wheat, however, they needed Central assistance for arranging seed of high-yielding varieties. The total requirements of such seeds were estimated at 1.35 lakh tonnes, which was made available to the State Governments out of the good quality wheat stocked in the FCI godowns in various States. Seed was distributed through the Cooperatives and other normal channels."

3.31. Increased production under the EAPP was sought to be achieved by an increase of acreage under high-yielding varieties and increase in the total acreage under foodgrains. No arrangements, however, appeared to have been made for the procurement and supply of seeds by the Central Government except for 1.35 lakh tonnes out of the stocks of the Food Corporation of India which was distributed to the States, which was actually, in retrospect, found to be only wheat produced from high-yielding variety seeds and not high yielding seeds. The Committee asked whether the stocks of wheat obtained from the Food Corporation of India were examined prior to distribution to assess whether they would serve as high-yielding variety seeds and whether the Seeds Corporation of India

was consulted before releasing Kalyan Sona from the FCI stock. The Committee also desired to know whether it was examined whether adequate quantities of seeds of requisite quality would be available to achieve the high yields contemplated, before a scheme of such large magnitude was launched. In a note furnished to the Committee, the Ministry of Agriculture replied:

“Arrangements for procurement and distribution of seeds are primarily the responsibility of the State Governments. The All-India Seed Producing Organisations like NSC, TDC and SFCI undertake production of seeds of all-India importance under various crops and market their seeds through the State Governments through their own marketing agencies. In connection with the implementation of the Emergency Agricultural Production Programme, it was duly ascertained by the Central Government from the State Governments whether they would be in a position to meet the seed requirements for this additional programme of production. The State Governments had anticipated no difficulty in meeting the seed requirements except in the case of wheat. Seeds of wheat were in short supply for such large increases in the area (4 million hectares) to be brought under high-yielding varieties of wheat. After ascertaining the seed availability with the NSC, it was found that there was a deficit of wheat seed. It was in this context that it was decided to make use of good quality grain of wheat of the varieties Sonalika and Kalyan Sona from the stocks of the FCI for seed purposes. The concerned State Governments were advised to select good quality wheat grain fit for seed purposes from FCI godowns after duly carrying out germination and purity tests. In this case, it may be noted that only Kalyan Sona and Sonalika varieties of wheat grain were released for seed purposes and these varieties are high-yielding.”

3.32. Earlier during evidence, the Secretary, Ministry of Agriculture had informed the Committee that for the first time, there had been attack of rust on Kalyan Sona wheat during 1972-73. The Committee asked whether the ICAR had warned the Ministry about the rust disease. The Secretary replied that the ICAR had given a warning about the occurrence of rust diseases in Madhya Pradesh and Eastern U.P. When the Committee pointed out in this connection



that, despite the warning, the Ministry had not taken any precautions to combat rust, the witness replied:

"In any case we received the warning, but after that we could do very little about it. The rust diseases had already appeared and was spreading very fast and the only remedy that could be done was to change the variety of seed for future years."

The Committee wanted to know the minimum time required to change the variety of seed and the witness stated that the normal time was two years.

3.33. The Committee asked why the Ministry did not make efforts to change the Kalyan Sona variety when it was conscious of the fact that the pattern should be changed on account of the on-set of the rust disease. The Secretary, Ministry of Agriculture replied:

"Kalyan Sona was planted in the month of October or November, 1972 and the rust disease was found on it on a very widespread scale in March, 1973, that is, five months after it had been planted."

He added that the warning from the ICAR came nearabout the same time and that there was no report or even threat of any rust disease anywhere in India at the time of planting.

3.34. Since attacks from pests occur in a regular cycle, the Committee asked how the Government could lose sight of such possibility. The Secretary, Ministry of Agriculture replied that though the cycle is there, there were some other factors also and that Kalyan Sona was a very high yielder. He added in this connection:

"We might have imported some genetic material from other countries as we have supplied genetic materials ourselves from other countries. The varieties that are in use in India have been developed by our scientists for our conditions and Kalyan Sona was recommended as a high-yielding rust-resistant variety some years ago and one would not know when it would develop susceptibility to rust disease. So long as it was giving a very high-yield to the farmers it was difficult to persuade them to take to some other variety. But, after the experience of 1973 April, there was a rush for the other high-yielding variety—Sonalika. We have taken about two years to make suffi-

cient Sonalika seeds available to the farmers because that operation had to be started from scratch."

3.35. On the question of recurrence of rust in a regular cycle, the Coordinator of the All-India Wheat Project stated during evidence:

"It depends on a number of factors e.g. inoculum present near the variety, environments, and susceptibility of the variety etc. It is a combination of so many factors that brings an epidemic."

3.36. Explaining the resistance of the Kalyan Sona strain of wheat to diseases in India, the witness stated:

"This Kalyan Sona is one variety which is classical. No variety of this type has been produced anywhere in the world. It is very high-yielding variety. This variety was released in 1967-68 and the farmers were very happy because it gave 50-60 per cent more yield than the conventional varieties. Some farmers went upto 8-9 tonnes with this variety. That means 80-90 quintals/hectare.

The segregating material was sent by Dr. Borlaug from Mexico. It was susceptible under Indian conditions, but it was segregating. Most of the plants were susceptible, but we found some resistant plants also. These were picked up by the breeders in India and they were multiplied. This Kalyan Sona was highly resistant to diseases in India. It was resistant to rust and most of the major diseases. It was very acceptable to all the farmers. It spread like wild fire."

When asked whether the susceptibility of the strain could be considered high, he stated:

"Now it has become. At the time of release, it was highly resistant."

In reply to another question whether the farmers should not have been cautioned that rust was likely to affect Kalyan Sona the witness stated:

"It is impossible because it just spreads within fifteen days and nobody can predict when the rust is going to come. It travels thousands of miles. If it originates in Moscow,

it travels all the way to Canada and from Manchuria it may travel all the way to England and create an epidemic."

3.37. The Committee desired to know the factors that should have been borne in mind while sowing Kalyan Sona, under the conditions that were prevailing in 1972. The witness replied:

"At the time of planting we recommend to all the farmers the most appropriate varieties suitable for different conditions in the country. We had two varieties which are most popular with the farmers. One is Kalyan Sona and the other is Sonalika. Kalyan Sona is popular with the farmers because it gives more yield; but we cautioned the farmers that we suspect there may be rust and so it should be planted before the middle of November. Late planting of Kalyan Sona will attract rust, if conditions are favourable."

3.38. The Committee asked when it had come to notice that Kalyan Sona was not, in fact, a variety which could resist rust. The Coordinator of the All-India Wheat Project stated:

"In the summer of 1971, in July-August, my colleague and myself went to the Lahaul Valley in Himachal Pradesh (that is the place where we raise summer nurseries for wheat) and we were surprised to see that Kalyan Sona has been heavily infested with rust; and that was a new race which was not reported from India earlier. We suspected that this race must have travelled all the way from Turkey and Middle East and come to India as it was unknown in India till then. This was a new race which attacked Kalyan Sona and attacked it badly. That is why we are cautious about planting Kalyan Sona, but one problem we have to keep in mind is that it takes five years to replace Kalyan Sona. If you start with planting one ton of seed and you get seed from this and further generate it from year to year it takes five years to replace acreage under Kalyan Sona."

When asked whether the same foundation seed was allowed to continue for five years, the witness replied in the affirmative and stated that Kalyan Sona was a self-pollinated crop and need not be changed every year.

3.39. The Committee desired to know whether the susceptibility of Kalyan Sona to diseases had been studied at the time of introducing the strain in India. The Coordinator of the All-India Wheat Project replied in the affirmative and added:

"It was resistant to most diseases. It was resistant to most of the prevalent races of rust; in addition, it was resistant to loose smut—which is a common disease in India—and to hill bunt, which is the most prevalent disease in the Himalayas and to powdery mildew. This is one of the classical varieties and Dr. Borlaug could not have given us a better variety."

3.40. The Committee asked whether any comparative study was made to determine whether rust was more prevalent in particular regions or whether it was inherent in the seed itself. The witness replied:

"It hibernates in the hills—in the Himalayas in North India and in the Nilgiri Hills in South India. Usually, when the farmers harvest the crop, the disease is killed. But the disease persists in the cool areas of the Nilgiris and the Himalayas. This disease hibernates in the hills of north India viz. Himalayas and also in the Nilgiris and Palni hills in the South and, when the farmers harvest the wheat crops in the plains in April. During the next season when the farmer is planting in October-November, the inoculum in the hills spreads to the plains and attacks the crops there. It is quite an involved procedure. Controlling the rust is an international problem; e.g. Australia had lost about a million tonnes of wheat last year to rust, although they are doing work on this problem for the last so many years. Wherever wheat is grown, rust is a problem. It is just a tricky disease. You may release the variety today, after 3-4 years the resistance breaks down. Sexual recombinations come in. It is like the malarial parasite. Biological organisms always change."

3.41. Since Kalyan Sona had been heavily infested with rust in the Lahaul valley in Himachal Pradesh (the place where summer nurseries for wheat are raised) in July-August 1971 and in view of the fact that the inoculum in the hills was likely to spread to the plains during the next or subsequent seasons and attack the crops there and the susceptibility of Kalyan Sona to rust had also been

established, the Committee desired to know how the possibility of an outbreak of rust had not been foreseen and preventive measures taken instead of waiting till the large scale attack of rust became evident. The Coordinator, All-India wheat Project stated during evidence:

"We first noticed the attack on Kalyan Sona in July-August 1971; but we cannot predict as to what its effect was going to be on the crops of 1972, because it depends on a number of factors."

3.42. Subsequently, in a written note furnished to the Committee in this regard, the Ministry of Agriculture stated:

"At the time of its release in 1967-68, Kalyan Sona was not only resistant to yellow and black rusts under field conditions, but possessed a high degree of resistance to brown rust, loose smut, powdery mildew and hill bunts. However, it has become susceptible to brown rust and certain new races (Races 14A, 20A and 38A) of yellow rust now. Indications of its susceptibility to yellow rust which is a serious disease were first obtained in August 1971, when the variety was found to show infection of yellow rust in the summer nursery in Lahaul valley. The mere presence of the pathogen is no indication of its causing an epidemic. An epidemic is caused by the interaction of host and parasite under the most suitable environments. Many a time a new race of the pathogen is reported but it does not cause an epidemic immediately. For instance, race 15B in America was first isolated in 1939 but it did not cause any damage to the crop till 1950. In 1950 it caused a severe epidemic with the availability of favourable weather and susceptible variety. Even in India virulent race of black rust viz. 122 exists in Nilgiri hills and it was first reported in 1952. During the last 20 or 22 years this race has shown changes in frequency but it has not created any epidemic. However, such races can flare up, at any time and cause epidemics. At present, we have no knowledge for predicting an epidemic in advance much less at the time of sowing or even in subsequent monsoon."

3.43. The Committee desired to know when the warning of the appearance of rust in an epidemic form was received from the ICAR and the advice rendered by the Council of the measures to be im-

tiated by the Ministry to prevent the epidemic spreading to other States, especially in view of the fact that large areas of wheat can be infected by rust in a short time. In a note, the Ministry of Agriculture stated:

“Circular letter-2 entitled ‘Rain Sampling Studies on Stem Rust of Wheat’ dated 23-1-1973 and prepared by the ICAR was received by the Directorate of Plant Protection Quarantine and Storage on 31st January, 1973. This report indicated that stem rust was likely to appear in about 20 days’ time in eastern Uttar Pradesh and Bihar. It was also reported that the disease had appeared in Hosangabad district of Madhya Pradesh (A copy of the circular letter from the ICAR is reproduced in Appendix ‘I’). The Principal Investigator (Wheat) of ICAR had advised the Directorate of Plant Protection Quarantine and Storage during the middle of January 1973, about the equipment and chemicals required to prevent the rust disease. The Departments of Agriculture of Madhya Pradesh and Bihar were contacted by the Directorate of Plant Protection Quarantine and Storage over the phone on 3-2-1973 and 5-2-1973 respectively and were told about the likely outbreak of rust disease in epidemic form. They were also informed about the control measures to be undertaken. The Directorate of Agriculture, Uttar Pradesh informed the Plant Protection Adviser on 13th February 1973, that even though rust was observed, it was in low intensity. It was also confirmed that sufficient stocks of fungicides required for treatment of rust was available in various districts of the State. The Directorate of Agriculture, Bihar on 8th March, 1973 reported sporadic appearance of brown rust and also stated that no serious damage was apprehended. In Madhya Pradesh it was reported that rust incidence was observed over an area of 950 acres in six districts and brought under control by spraying of fungicides. In addition to control operations carried out in 950 acres the State Government had also undertaken prophylactic treatment over an area of 2400 acres.”

3.44. The Committee asked whether the farmers had been informed that if Kalyan Sona was planted after November, it might be attacked by rust. The Coordinator, All-India Wheat Project replied that this was done repeatedly through pamphlets, the All India

**Radio and Newspapers.** When the Committee pointed out that not many farmers have radios, the witness replied:

“We request each State to inform the farmers that if they are planting Kalyan Sona, they should plant it before the middle of November and if the sowing is late, they should sow Sonalika.”

3.45. The Committee desired to know whether, apart from requesting the State Governments to inform the farmers on the need for the early planting of Kalyan Sona, the Central Government had ensured that the information actually reached the farmers and that they took heed of it and also took necessary steps. The Secretary, Ministry of Agriculture stated during evidence:

“The Kalyan Sona was the dominant variety being planted in the main wheat-growing areas; and there was no other seed of high yielding variety available with the farmers or anybody at that time. The planting time or the sowing time was something that could be adjusted or controlled and the warning that was issued was that sowing should be completed by the middle of November at the latest. This information was conveyed through the very excellent extension system that does exist in the main wheat-growing States of Punjab and Haryana. But the fact was that the farmers were not able to complete the planting for a variety of reasons, including for example, rain at that very time.”

When the Committee asked as to what efforts were made to ensure that the sowing would be completed by November, the witness replied:

“There was nothing that we could do, except to request the State Governments. That was the only seed which was available then. The land could not be left unsown and the farmers could not sow it in time; they did it a little late.”

In reply to another question whether any specific, urgent measures were taken in this regard, the witness stated:

“We had no means of preventing the farmers from sowing the Kalyan Sona wheat, after the middle of November. We advised them to sow before the middle of November.”

3.46. In its monograph, ‘Emergency Food Production Drive (1972-73), the Indian Council of Agricultural Research had,

*inter alia*, recommended the following measures on surveillance for rust:

“Wheat Disease Surveillance has given extremely useful results. For reporting the appearance of rusts in different parts of the country, Wheat News Letters should be brought out more promptly and the news on spread of the disease should be broadcast through All-India Radio. Since the foothills of Nilgiri, the plains of Mysore, the plains of northern Bihar and part of eastern Uttar Pradesh are the regions where black and brown rusts make their early appearance, these regions should be surveyed more carefully and prophylactic measures of spraying in these regions should be taken up at the first appearance of these rusts or from the expected date of rust appearance.”

It had also been decided at a meeting held on the 22nd September 1972, when the EAPP was discussed, that Plant Protection Squads should be set up. The Committee asked whether these squads had been set up and every possible precaution was taken. A representative of the Ministry of Agriculture stated during evidence:

“These squads were in the States under the Plant Protection Directorate. As Dr. . . . . has explained regarding the epidemic of rust that was known in the month of March, 1973. It was not known earlier. For the rabi crop, plant protection is not as intense as in the kharif.”

3.47. The Committee asked whether the plant protection squads had detected signs of rust in Kalyan Sona or received reports about the prevalence of rust and, if so, the action initiated by the squads and the Ministry to combat rust. In a note, the Ministry replied:

“The Wheat Disease Survey Team and the Cooperators in the National Disease Project—1972-73—under the I.C.A.R. detected the occurrence of rust on wheat in the period 15th December to 31st December, 1972. This was communicated through wheat disease Newsletter issued by the Division of Mycology and Plant Pathology of Indian Agricultural Research Institute, New Delhi to about 300 persons all over the country including Vice-Chancellors of Agricultural Universities, Plant Pathologists and Breeders, State Directors of Agriculture, Directorate of Plant Protection Quarantine & Storage etc.



3.48. The Committee desired to know how rust could be fought when the crop was attacked. The Coordinator, All-India Wheat Project stated:

"The most important method is the production of resistant varieties. We also adopt chemical control. We would like to avoid growing very susceptible varieties. When the attack comes, we use certain chemicals, e.g. Dithanez-78 and R. H. 124 for controlling the rusts. They are very effective but they are very expensive."

When the Committee pointed out that the chemicals might not be readily available due to short supply, the witness replied that Dithanez-78 was readily available in plenty in India.

3.49. The Committee enquired into the percentage of loss due to rust. The witness replied:

"If it is a black rust, the loss may be between 80 per cent and 90 per cent. The loss varies from rust to rust. During 1938, we had an epidemic in Madhya Pradesh. In 1947 there was an epidemic again there and the farmers could not harvest even what they have sown as seed. If it is an yellow rust, the loss may be between 70 per cent and 80 per cent. In the case of the brown rust, the maximum loss may be between 20 per cent and 25 per cent."

3.50. Since it had been stated that the sowing of Kalyan Sona should be completed before November, the Committee asked whether it was not necessary to ensure that the seeds reached the farmers before the end of October and pointed out that in some places the seeds had been supplied very late. The Secretary, Ministry of Agriculture stated:

"Arrangements for the timely supply of seeds either from local sources or from other places is a very big and separate question; I do not know which particular kind of seed was supplied and where."

He added:

"We try to assist them with whatever improved seeds they required; and assist them to produce the improved seeds themselves by taking the foundation-seed from us one year in advance. There should be no such delay. There is another aspect. Because of this experience relating to the

rust and the difficulty in completing the sowings before 15th November, there has been a very large shift from Kalyan Sona to Sonalika during the last 1 or 2 years. It is likely that most of Kalyan Sona, in areas affected by rust, will have been replaced by Sonalika which can be sown late without any danger."

3.51. It had been stated, in the meeting of 22nd September, 1972, that no shortages were anticipated in providing seeds for the Programme. The Committee were, however, informed by Audit that in the Zonal Seeds Conference on pre-kharif, 1973 the Joint Secretary (Inputs), Ministry of Agriculture had gone on record to say that 'for 1972-73, it had been found that in many cases there were shortfalls in meeting the full requirements of seeds'.

#### *Pesticides*

3.52. During evidence tendered before the Committee, the Secretary, Ministry of Agriculture had stated that no shortage was 'experienced, reported or feared at any stage' about the availability and supply of pesticides for the EAPP. However, according to the Audit Report, because of short supply, only 3.33 lakh litres of liquid and 7,500 tonnes of dust pesticides were distributed in Karnataka against 14.85 lakh litres of liquid and 17,300 tonnes of dust pesticides actually required. The Committee also found from the reply to a Parliament question that shortages had been experienced in the case of a few selected pesticides like BHC, DDT and Endrene which are important for agriculture. The Ministry were, therefore, requested to reconcile the discrepancy in the statement made during evidence. In a note furnished to the Committee, the Ministry of Agriculture stated:

"As stated during evidence, no shortage of pesticides was felt for implementation of the Emergency Agricultural Production Programme during Rabi/Summer 1972-73. Since in paragraph 11.05 of the Audit Report a specific mention was made about short supply of pesticides being responsible for distribution of lesser quantity of pesticides than targeted in Karnataka, a report was called for from the State Government. It has been stated by the Government of Karnataka that the requirements of pesticides were calculated for the entire area under crops. Control mea-

asures were taken only in the affected areas and this was the reason why the consumption of pesticide was less than the targatted level of pesticides to be distributed.

It will also be observed from the reply given to Starred Question No. 377 in the Lok Sabha on 28th August 1972, that the position of supply of pesticides for the year 1972-73 in the States and Union Territories was considered, by and large, satisfactory. A meeting was held in this Ministry on 28th September, 1972 with representatives of the Ministry of Petroleum and Chemicals, DGTD and Pesticides Association of India when the availability of pesticides for the special rabi programme had been reviewed. It was found that there was no shortage of pesticides generally to meet the requirements of the programme. Shortages, however, started occurring from 1973-74. The main reasons were power cuts and non-availability of sufficient quantities of raw materials like Chlorine. The shortages were experienced in case of only a few selected pesticides like BHC, DDT and Endrine. This fact was stated in reply to Starred Question No. 453 answered on 27-8-1973 in the Lok Sabha. It may be noted that this was a later development and had nothing to do with the situation regarding pesticide availability for the Emergency Agricultural Production Programme in the Rabi/Summer season of 1972-73."

The Committee learnt from Audit that during the meeting held in the Ministry on 28th September, 1972 (referred to in the Department's reply), the Secretary General, Pesticides Association of India and a few representatives of the Chemical Industry expressed their apprehensions of a sizeable shortage of pesticides during the Rabi season of 1972. The reply to starred Question No. 453 given in the Lok Sabha on 27th August 1973 confirmed that of all the large number of pesticides used in commercial quantities in the country, shortage was being experienced in case of insecticides like BHC DDT and Endrine. This reply did not mention that shortages started from 1973-74 only. In fact, the State Government of Andhra Pradesh had also complained of shortage of pesticides in Rabi 1972.

#### **Other Inputs**

3.53 According to paragraph 405 of the Audit Report, the extent to which other scarce inputs like steel, cement and drilling rigs would be required had not been estimated when the EAPP was for-

ulated. The Committee desired to know the reasons for not estimating as accurately as possible the requirements and availability of such scarce inputs. In a note furnished to the Committee, the Ministry of Agriculture stated:

“While planning the EAPP, the aspect of assessing the requirements of States for scarce inputs like steel, cement, pumpsets, rigs, etc. needed for execution of minor irrigation programmes, was kept in view. In the guidelines supplied to the Area Officers for scrutiny of individual minor irrigation scheme, proposed by the States under the EAPP, the need for proper assessment of the requirements and availability of scarce inputs like pumpsets, rigs and their ancillary equipments, pipes, transformers, poles, etc. had been stressed. Their reports contained information regarding the requirements of these materials and emphasised the need for arranging special quotas in consultation with the concerned Central authorities. In the course of the implementation of the programme, a constant watch had been kept on the supplies of all essential inputs required for quick execution of the individual schemes.”

3.54. The Secretary, Ministry of Agriculture stated in this regard during evidence:

“We did make enquiries from the different State Governments and after a rough check of the requirements indicated by them, we took up the matter with the concerned Ministries. There was, to our information, no difficulty about cement but steel continued to present a problem and we were ultimately able to obtain advance allocations against the April—June 1973 quota for the States which added up to less than 1/3 of what they had asked for.”

3.55. The Committee asked for details of the extent to which the requirements of steel, cement and drilling rigs, under the EAPP, had been estimated. The witness replied:

“The EAP Programme was covering broad ideas dealing with all kinds of things that required to be done. The State had to prepare specific schemes. Many States had drilling rigs with them and others made use of drilling rigs avail-

able in other States and some engaged commercial concerns for this purpose. But we did receive a note on the requirement of drilling rigs from a number of States. We tried to procure them even from sources out of India but it was found that this would not meet the full requirement and ultimately some proposals for the procurement of drilling rigs had to be abandoned either because alternative arrangements had been made or because it was found that the time by which the drilling rigs would arrive, would be too late to use them for this programme."

He added in this connection:

"The EAPP Circular letter which went to the States listed the kinds of the schemes that should be taken up. The requirements of drilling rigs or cement or steel would depend on the particular kinds of schemes which States should select. The soil and geological conditions and other facilities might have been there already. The minor irrigation programme—the additionality is only about 40 per cent—would have been there in any case under the normal plan provision and institutional finance and, therefore, at the initial stage, there was no particular reason to suspect that the necessary material and equipment for executing this programme which would be about 35 per cent or 40 per cent more than what they would have had to do normally would not be available. But once the States identified the particular items of work, they would do it under the EAPP. These requirements came up and we keep on enquiring from the States and trying our best to expedite the release of the required quantities of cement and steel, to get them import licences for some parts of drilling rigs and some parts were being made to fly out from foreign country in order to continue the drilling work. This we did, or rather tried to do, to the best of our ability."

3.56. The Committee called for details of the quantities of steel and cement actually made available to each State for the EAPP, when these were made available and how the quantities made available compared with the requirements. In a note, the Ministry of Agriculture stated:

"This Ministry received requirements of steel from the States of Maharashtra, Orissa, Gujarat, U.P., M.P., Mysore and

**Andhra Pradesh. Their total requirements amounted to 38,492 M. tonnes as under:**

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Maharashtra . . . . .	10,780 M. T.
Orissa . . . . .	12,582 M. T.
Gujarat . . . . .	600 M. T.
U. P. . . . .	850 M. T.
Madhya Pradesh . . . . .	800 M. T.
Mysore . . . . .	3,980 M. T.
Andhra Pradesh . . . . .	8,900 M. T.
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	38,492 M. T.

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These requirements were forwarded to the Ministry of Steel with the request to issue necessary instructions to the Iron and Steel Controller|JPC for meeting the requirements of the Emergency Agricultural Production Programme on top priority basis. The Minister of Agriculture also wrote to the Minister of Steel & Mines, requesting that in view of the highest priority attached to the implementation of the programme in drought-affected States, the requests of the States should be met immediately. It was learnt from the Ministry of Steel that indents covering these demands had not been placed till then. The State Governments were accordingly requested to take action immediately and contact the Iron & Steel Controller for allocations out of the reserve quota.

The matter was again reviewed in December 1972 and the Minister of Agriculture wrote to the Minister of Steel and Mines and it was also suggested that considering the urgency of the requirements to meet the emergency situation, priority should be accorded by the JPC on the basis of the indents placed and without waiting for the formal sale orders to be issued. Accordingly, instructions were given by the Minister of Steel & Mines to the Iron and Steel Controller to make special efforts to meet the requirements of the crash agricultural programme of States even if sale orders/priority requisitions were not received in time. This Ministry was informed that the Iron & Steel Controller had allocated the following tonnages of various categories of steel out of reserves for the

period April—June, 1973 for meeting the urgent requirements of the programmes of various States.

	(In tonnes)
Ex India Iron . . . . .	1,924
Ex Tatas . . . . .	3,094
Ex HSL, Rourkela . . . . .	886
Ex HSL, Bhilai . . . . .	5,221
	11,125

It would thus be observed that upto April 1973, 11,125 tonnes of steel were allocated to the States against their requirements of 38,492 tonnes. The State-wise break-up is not, however, available with this Ministry."

As regards cement, the Ministry informed the Committee as follows:

"As in the case of steel, care was also taken under the programme to ensure timely supply of cement to the needy States. Four States, viz., Assam, Bihar, Haryana and Punjab had come up with specific additional requirements of cement for the EAPP schemes. The Ministry of Industrial Development was approached for the allocation of special quotas to these States as detailed below:

1. Assam . . . . .	4,450 M. T.
2. Bihar . . . . .	37,000 Tons
3. Haryana . . . . .	70,000 M. T.
4. Punjab . . . . .	10,500 Tons."

3.57. Since it had been stated by the Ministry that indents covering the demands for steel had not been placed by the State Governments, the Committee asked when this was known to the Ministry. The Ministry replied that this was communicated by the then Minister of Steel & Mines in his d.o. letter dated 23rd October 1972 to the Minister of State for Agriculture.

3.58. On the question of requirements and release of steel, the Ministry of Agriculture subsequently informed the Committee as follows:

"On the basis of the information furnished by the Department of Steel, it was earlier reported to the PAC in advance

information that a total quantity of 11,125 tonnes was released to the various States against the total requirement of 38,492 tonnes under the EAPP. According to the information now received from the Iron and Steel Controller, a total quantity of 31,907 tonnes was released to the State Governments against the total requirement of 44,930 tonnes as detailed below:

(In tonnes) I

Name of the State	Requirement	Quantity released (as now reported by the Iron & Steel Controller)
1. Maharashtra . . . . .	10,780	8,074
2. Gujarat . . . . .	600	700
3. U. P. . . . .	800	1,150
4. Madhya Pradesh . . . . .	750	1,297
5. Karnataka . . . . .	3,680	2,137
6. Andhra Pradesh . . . . .	8,900 "	3,294
7. Punjab . . . . .	2,764	2,506
8. Orissa . . . . .	12,582	11,255
9. Bihar . . . . .	13,684	1,434
TOTAL . . . . .	44,930	31,907 "

3.59. The Committee desired to know whether it was a fact that steel had been allocated by the Steel Controller to some of the States only after completion of the scheme. In a note, the Ministry of Agriculture stated:

"The dates on which the requirements of iron and steel received from the various State Governments under the EAPP 1972-73 were forwarded to the Ministry of Steel &



Mines, Iron and Steel Controller/JPC are given below:

Name of the State	Date of sending the requirements to the Ministry of Steel & Mines, Iron & Steel Controller/JPC
1. Maharashtra	23-8-1972
2. Orissa	6-9-1972
3. Gujarat	6-9-1972
4. U. P.	6-9-1972
5. Andhra Pradesh	19-10-1972
6. West Bengal	19-10-1972
7. Karnataka	21-10-1972
8. Madhya Pradesh	26-10-1972
9. Punjab	13-12-1972

The concerned State Governments were advised on 23-10-1972 and 22-11-1972 to contact the Iron and Steel Controller for allocation of iron and steel under the EAPP on a priority basis.

According to the information furnished by the Iron and Steel Controller, iron and steel was released to the concerned State Governments out of I (January-March) and II (April-June) quarters' quota and from a special quota during the period February to May 1973. The dates on which actual delivery was taken by the State Governments have not been intimated by the Iron and Steel Controller. However, he has mentioned that the State Governments did not lift the full quantities allotted to them."

3.60. The Committee enquired how far the implementation of the EAPP had been affected by the delay in allocation of steel. In a note, the Ministry of Agriculture replied:

"By and large, implementation of the EAPP was not reported to have been affected by the delay in allocation of steel. Most of the needy States generally continued with the execution of the schemes with the stocks of steel in hand."

## SECTION IV

### UTILISATION OF SHORT-TERM LOANS

#### Audit Paragraph

##### *Short-term loans for inputs*

4.1. As mentioned earlier, Rs. 99.92 crores were paid to State Governments as short-term loans for purchase and distribution of seeds, fertilisers and pesticides.

4.2. Out of Rs. 1350 lakhs paid to the Government of Andhra Pradesh, the State Government sanctioned Rs. 800 lakhs for distribution as short-term loan and Rs. 200 lakhs for purchase and distribution of seeds and pesticides (in addition to certain amounts from out of the normal State budget). Of the amount sanctioned, Rs. 486 lakhs were not utilised.

4.3. Initially, Rs. 128 lakhs were sanctioned on 7th November, 1972 by Central Government for Rajasthan. A further advance of Rs. 272 lakhs was sanctioned on 3rd January, 1973. While the State Government authorised utilisation of Rs. 128 lakhs for purchase and distribution of inputs, utilisation of the second instalment of Rs. 272 lakhs was not authorised by the State Government. The amount of Rs. 128 lakhs was also not fully utilised. The State Government had reported to Government of India in January, 1973 that it was not in a position to utilise the short-term assistance, to the extent of Rs. 100 lakhs, due to non-availability of fertilisers and had instead asked for diversion of the amount towards long term advance for energisation of wells. This was not agreed to and the short-term assistance was also not reduced though the assistance for energisation was increased by Rs. 50 lakhs.

4.4. The Central Government had advanced to West Bengal Government Rs. 700 lakhs, of which Rs. 600 lakhs was under EAPP and the rest for drought relief and other purposes. The total amount reported by the State Government to have been utilised was Rs. 523.44 lakhs besides Rs. 75 lakhs advanced through the co-operatives.

4.5. Rupees 2 crores had been sanctioned for Orissa. The State Government gave Rs. 1 crore to the State Co-operative Marketing

Society which is reported to have utilised the amount. A further sum of Rs. 100 lakhs was paid by the State Government to the State Co-operative Bank on 21st March, 1973. The Bank being unable to use this amount for the purpose, because of its late receipt, refunded the amount with interest in September, 1973.

4.6. Rupees 200 lakhs were advanced to the Gujarat Government. This amount was used mainly in the drought affected districts.

4.7. In Madhya Pradesh, out of Rs. 600 lakhs received as short-term loan, Rs. 100 lakhs sanctioned on 24th March, 1973 were not utilised. Out of Rs. 500 lakhs, Rs. 27 lakhs were set apart for foliar application of urea. The remaining Rs. 473 lakhs together with Rs. 30 lakhs from its own resources were given by the State Government to the State Apex Co-operative Bank for distribution as loans. Though the Apex Bank is reported to have distributed Rs. 500.73 lakhs to 35 Central Banks by 30th June, 1973 for extending taccavi loans to farmers for fertilizers, the State Government had no information (December, 1973) of amounts actually transferred month by month to the Central Banks, or disbursed as loan by the latter or utilised by cultivators for purchase of inputs.

4.8. Out of Rs. 200 lakhs sanctioned for Karnataka, Rs. 188 lakhs were distributed in January, 1973 or later, of which Rs. 100.51 lakhs were distributed in March, 1973. Rupees 7.42 lakhs were given for growing sugarcane in four district. Rupees 25.26 lakhs were distributed as loans for inputs in three districts where, because of drought all water was reserved for drinking.

4.9. Tamil Nadu Government had released Rs. 100 lakhs, out of Rs. 150 lakhs received from the Central Government, for seeds and fertilizers. It is reported that Rs. 44.68 lakhs were utilised. Amongst reasons given for low utilisation of funds were shortage of fertilizers and release of funds after sowing was completed in many areas. It was not possible to ascertain the extent to which Rs. 200 lakhs paid by the Government of India for pesticides were spent for that purpose.

4.10. Out of Rs. 1600 lakhs received from the Central Government Rs. 1347 lakhs were reported to have been used in Maharashtra to provide seeds and fertilizers for the rabi crop, but seeds and fertilizers worth Rs. 422 lakhs remained undistributed at the end of March, 1973. At the same time, other States experienced fertilizer shortages. Rs. 253 lakhs were used in drought affected areas.

4.11. Out of Rs. 1550 lakhs received by the Government of Uttar Pradesh, Rs. 1250 lakhs were allotted to the Director of Agriculture and Board of Revenue, Rs. 200 lakhs to Uttar Pradesh Cooperative Bank for distribution to needy members of cooperative societies and Rs. 100 lakhs to the U.P. Cooperative Cane Unions Federation for distribution to members of sugarcane co-operative unions. It will be recalled that sugarcane was not one of the crops included in EAPP. Information about actual distribution of the amounts given to the cooperative institutions was not available. Out of Rs. 1250 lakhs allotted to the Agriculture Department and Board of Revenue, Rs. 248 lakhs were not distributed, reasons attributed therefor being late allotment of funds and lack of demand in certain districts.

4.12. Against Rs. 700 lakhs received, Government of Bihar utilised Rs. 507 lakhs for purchase of seeds, fertilisers and pesticides and advanced Rs. 100 lakhs to the State Marketing Union on 13th March, 1973 for purchase of fertilizers and another Rs. 100 lakhs to the State Cooperative Bank on 1st January, 1973 for distribution as loans to members of cooperative societies for purchase of inputs. The former purchased fertilisers worth Rs. 102.58 lakhs between 16th March, 1973 and 10th April, 1973. The latter transferred the entire loan to 21 Central Cooperative Banks between January and March, 1973 for disbursement as loans. Information about the amount actually disbursed as loans by the Central Cooperative Banks was not available (December, 1973).

4.13. Out of Rs. 125 lakhs received from the Central Government Rs. 70.53 lakhs were reported to have been spent in Kerala.

[Paragraph 10 of the Supplementary Report of the Comptroller and Auditor General of India for the year 1972-73, Union Government (Civil)].

4.14. The Audit Report mentions that a number of State Governments had not utilised the short-term loans made available to them by the Central Government, under the EAPP, for the purchase and distribution of inputs. For instance, the Government of Rajasthan had intimated in January, 1973 that it was not in a position to utilise the short-term assistance to the extent of Rs. 100 lakhs; Government of Orissa refunded Rs. 1 crore out of Rs. 2 crores sanctioned; Rs. 248 lakhs out of Rs. 1250 lakhs allotted to the U.P. Agriculture Department had remained undistributed. The Committee desired to know whether the Government of India was aware of

such non-utilisation of short-term loans. The Secretary, Ministry of Agriculture stated during evidence:

"We were aware of the fact that many State Governments were not in a position to utilise the amounts which they had asked for and got because of the non-availability of inputs for which the amounts had been sanctioned. Orissa Government refunded a crore of rupees."

He added:

"I shall give you the complete information about what were the amounts not utilised and the reasons therefor."

In this connection the witness was also requested to indicate whether the amounts were returned or absorbed in the operations of the State Governments. The Agriculture Secretary stated:

"It is not possible for them to absorb the amounts in their own operations because this amount is automatically realised from them at the end of the period. Further, the amount not utilised in this manner was a smallish amount. I have to work out the exact figures."

4.15. When the Committee pointed out that it was not a 'smallish' amount and that in Andhra Pradesh alone, Rs. 476 lakhs, out of Rs. 1000 lakhs, had not been utilised, the witness replied:

"Andhra Pradesh had some special circumstances at that time. There was shortage of fertilizers. Class III and Class IV employees were on strike."

When asked whether the Andhra Pradesh Government had refunded the money, the witness replied:

"The money was realised from them at the end of the period concerned. Whether they returned it earlier than the period by which it is automatically realised from them is something about which I do not have the information."

The Committee felt that this was by no means a situation which reflected favourably on the working of a vital job like EAPP by either the Central Government or the State Governments concerned.

4.16. In a written note furnished to the Committee in this connection, the Ministry of Agriculture stated:

"At the time of release of short-term loans for inputs, the State Governments had given categorical assurances that these funds would be utilised by them for the purpose for which they were being advanced. In most cases the releases were made immediately on receipt of demands from the State Governments. However, wherever such loans were sanctioned at a latter stage, the State Governments assured that they could take all steps to utilise the amounts in time for the various crops."

4.17. According to the Audit Report, out of Rs. 1600 lakhs received from the Central Government, Rs. 1347 lakhs were reported to have been used in Maharashtra to provide seeds and fertilisers for the rabi crop, but seeds and fertilisers worth Rs. 422 lakhs remained undistributed at the end of March, 1973 and Rs. 253 lakhs were used in drought affected areas. The Committee asked whether the Government of India was aware that seeds and fertilisers valued at Rs. 422 lakhs had remained unutilised. The Ministry of Agriculture stated in a note:

"No such information is available with the Ministry of Agriculture. The State Government in their report sent towards the middle of March, 1973 had reported that against the short-term loan of Rs. 16 crores released to them under the EAPP, they had actually spent Rs. 16.52 crores upto the end of February, 1973. It was also reported that all the seeds and fertilisers purchased with this fund had been distributed."

4.18. As regards the amount of Rs. 253 lakhs utilised for drought relief, the Committee desired to know whether this had been done with the sanction of the Ministry of Agriculture and in consultation with the Ministry of Finance and, if so, the reasons that weighed with the Government of India in agreeing to this diversion. In a note, the Ministry of Agriculture stated:

"Utilisation of Rs. 253 lakhs by Maharashtra for drought relief was not done with the consent of the Ministry of Agriculture."

Since the diversion had not been effected with the consent of the Central Government, the Committee enquired into the action pro-

posed to be taken by the Government of India in this case. The Ministry of Agriculture replied:

"The State Government will be addressed to refund the amount of Rs. 253 lakhs. All the State Governments including the Government of Maharashtra have already been addressed by this Ministry to intimate the audited figures of expenditure against the loan assistance provided to them under the EAPP during 1972-73."

4.19. The Committee desired to know the steps taken to determine whether the unutilised amounts had been recovered from various State Governments. The Secretary, Ministry of Agriculture informed the Committee during evidence:

"The short-term loans to the State Governments are recoverable automatically. The A.G. in fact raises a debit against the account of the State Government at the end of the 6-month or 9-month period prescribed for a particular loan, irrespective of whether they have utilised it or not. Something must have gone wrong as a result of which there was non-utilisation."

In reply to another question whether the unutilised amounts should not have been refunded at the close of the financial year, the witness stated:

"Under the very terms of the sanction, that amount was to be recovered at the end of the period of 6 months or 9 months for which the loan was given. It was the responsibility of the Accountant General, Andhra Pradesh to effect the recovery. I am quite confident that he must have done it. The State Governments are in fact not very much willing to take the short-term loans earlier than the month of October, because the recovery is otherwise made within the same financial year."

When the Committee pointed out that this meant that the Central Government did not have adequate control over the utilisation of funds, the witness replied:

"We are not to blame, at least in this case, because the recovery of the short-term loans is something which is fool-proof and knave-proof. There is no delay in the recovery since it is made automatically. They did not have the fertilisers to distribute and there was a strike by the

non-gazetted officers all over Andhra Pradesh, which made it difficult for them to complete the programme."

4.20. In respect of the short-term loans given to the Government of Rajasthan, the Committee desired to know why the report received in January, 1973 that the State would not be in a position to utilise Rs. 100 lakhs had been ignored and that Government's request for the diversion of the amount towards long-term advances for the energisation of wells had not been acceded to. The Secretary, Ministry of Agriculture stated:

"The problem in Rajasthan was the same, viz. the shortage of fertilisers. They wanted diversion or conversion of the short-term loan into a medium or long-term loan for energisation of wells under the EAPP. We would have got into difficulties. The short-term loans had at least one advantage. automatic recovery within six months. The medium-term or long-term loans would have remained in existence for a long period."

When the Committee pointed out that the amount of short-term loan should have been reduced if the State Government was unable to utilise the funds, instead of releasing an additional Rs. 50 lakhs for energisation, the witness replied:

"The short-term loan of Rs. 128 lakhs was sanctioned to the State Government of Rajasthan on 7th November, 1972. Thereafter they asked for and got another loan of Rs. 272 lakhs on 3rd January, 1973. It was on the 15th January, 1973 that the Chief Minister of Rajasthan wanted this diversion. This was not agreed to; and the loan that had already been sanctioned was presumably recovered at the end of the period for which it had been sanctioned. There is another point. We do not know whether they had really drawn this amount, though it was sanctioned. because within a few days of the sanction, they had approached us for this conversion. If they had already drawn this amount, it would have been too late to ask for this change."

The Committee desired to know the difficulties in agreeing to the diversion of the short-term loan. The witness stated:

"Such a conversion increases difficulties in the ways and means position of the Government of India. The short-term loan is for inputs which comes back. It is really a



trading advance against commodities while the medium-term loan would have been an investment; and even for spending Rs. 148-odd crores on medium-term loans we are in such trouble. By January, 1973 we had certainly become wiser than what we were during August, 1972. We did not want to increase our difficulties further."

4.21. The Audit Report also points out that the Government of Uttar Pradesh had allotted Rs. 100 lakhs to the U.P. Cooperative Cane Unions Federation for distribution to members of sugarcane cooperative unions, even though sugarcane was not one of the crops included in the EAPP. The Committee desired to know how this diversion had taken place. A representative of the Ministry of Agriculture stated during evidence that this was agreed to by the Area Officer at the special request of the U.P. Government and approved by the Government of India. The Secretary, Ministry of Agriculture stated in this connection:

"Chronologically, the facts were that the State Government made the diversion and informed the Area Officer.... He had gone there and he had objected to it. But they said they have already made the diversion because of certain compulsions."

He added that the conditions for the short-term loan did not exclude sugarcane and that the short-term loan was not given for the first time in 1972-73.

4.22. When the Committee pointed out that this amount had come from the EAPP, which was meant for the production of foodgrains, the Secretary replied:

"No, Sir. The only special thing that was done was under the EAPP this Rs. 150 crores loan provision for minor irrigation works and allied schemes. Short-term loans to State Governments recoverable within six months for the financing of the projects and inputs such as fertilisers and pesticides supplied to farmers is something which comes as a regular measure every year and it is provided in the budget. It never excluded sugarcane.... Rs. 60 crores were given for short-term loans in 1971-72 also, when there was no EAPP and no drought."

He stated further:

"Rs. 60 crores was the normal budget provision which was made in 1972-73, which was the same amount as in the

1971-72 budget, before there was any talk of EAPP. The amount under this budget was later increased from Rs. 60 crores to 100 crores. Therefore, even technically Rs. 60 crores was the normal provision."

4.23. The Committee asked whether this amount could be charged to the EAPP. The Secretary, Ministry of Agriculture replied that there was no decision to discourage the growing of sugarcane and added:

"The EAPP provision was only Rs. 40 crores out of Rs. 100 crores; not all the Rs. 100 crores. So, Rs. 60 crores was still the normal provision."

4.24. The Committee desired to know whether financial concurrence had been obtained for this diversion. The representative of the Ministry of Finance replied in the negative and the Secretary, Ministry of Agriculture stated that they were not required to consult Finance.

4.25. Subsequently, in a note furnished to the Committee, the Ministry of Agriculture indicated the justification furnished by the Government of Uttar Pradesh for the diversion of this amount from the EAPP to sugarcane. The note is reproduced below:

"In their reply. U.P. Government have stated that in the overall interest of agricultural production during the year 1972-73, it was decided that out of the short-term loan of Rs. 10 crores sanctioned by the Government of India under the EAPP, a sum of Rs. 1 crore should be allocated to the Cane Department for advancing credit to cane growers. Cane is an important crop of the State which provides sizeable employment to a large population, including landless labour, in the rural areas. It was felt by the State Government that for augmenting sugarcane production and providing employment opportunity to rural landless labour cane growers should not be deprived of this facility. The Central Team headed by the then Area Officer, now Secretary to the Department of Rural Development, Ministry of Agriculture and Irrigation, which visited U.P. in October 1972, was apprised of this position and the Team observed as follows in its tour report:

'A short-term loan of Rs. 10 crores had been sanctioned to the State under EAPP for purchase of seeds, fertilisers

and pesticides. It was indicated that Rs. 5 crores out of this amount had been allocated to the Agriculture Department for distribution of taccavi, Rs. 2 crores to the Cooperative Department for providing adequate credit to the farmers, Rs. 2 crores to Revenue Department for providing seeds to the small farmers and Rs. 1 crore to Cane Department for advancing credit to the cane growers'.

The State Government have informed that in 1972-73 sugarcane (in terms of gur) production increased to 56.73 lakh tonnes from 49.35 lakh tonnes in 1971-72.

The above reply has not yet been vetted by the State Accountant General. The matter is under correspondence."

4.26. It had been stated during evidence that the unspent amounts would be recovered automatically by the Accountants General of the State Governments concerned in the light of the actual expenditure incurred and in accordance with the terms and conditions of the loan. The Committee asked whether the Government of India should not have ensured that loans which had been given for a specific purpose and not utilised by the State Governments were refunded immediately so utilising such amounts for their normal operations or for improving their ways and means position. In a note furnished to the Committee, the Ministry of Agriculture replied:

"Loans under the Emergency Agricultural Production Programme were sanctioned to the various State Governments for special minor irrigation programme. On receipt of sanction the Accountants General debited the amounts sanctioned from the Central Government accounts and credited the same to the State Governments accounts. The State Governments, according to their own process, issued sanctions for the drawal of the amounts for specific items of works.

The question of recovery of the unutilised amounts from the State Governments could be taken up only on the basis of audited figures of accounts. So far, the audited figures of account have not been received from the Accountants General. As soon as these figures are received, the ques-

tion of recovery of the unutilised amounts from the concerned State Governments will be taken up.

The State Governments have already been addressed to expedite the supply of audited figures of accounts to this Ministry."

4.27. Since a number of instances of non-utilisation of short-term loans had been enumerated by Audit, the Committee enquired whether the Government of India had analysed whether any further amounts, other than those pointed out by Audit, had remained unutilised and had investigated the reasons for the non-utilisation of large sums of money allotted for specific purposes and objectives. In a note, the Ministry of Agriculture replied:

"No other instances of non-utilisation of short-term loans made available to the State Governments under the EAPP have come to our notice. However, the final picture in this regard in respect of each State will become available only after the figures of audited expenditure, which have been called for from the State Governments, through a demi-official letter addressed by the Secretary (Agriculture) have been received."

The Committee were informed by Audit that the plea of the Department that the final picture in this regard of each State would become available only after the figures of audited expenditure have been received from the State Government, was not correct as the State Accountants General were not required to conduct a cent per cent check of utilisation of loans and as such these audited statements of expenditure would not be forthcoming from the State Governments.

## SECTION V

### IRRIGATION SCHEMES

#### **Audit Paragraphs**

#### ***Progress reported***

5.1. Progress, both physical and financial, of the EAPP as well as the corresponding normal Plan programmes was reviewed at meetings held by the Ministry with representatives of the State Governments from 17th to 22nd March, 1973. Progress of each scheme was appraised and amounts to be paid as the last instalment to State Governments were determined. The assessment showed, according to the Ministry, total utilisation of Plan provisions and substantial fulfilment (or anticipated fulfilment by 31st May) of Plan targets in all the States. With the exception of Andhra Pradesh, Mysore, Tamil Nadu, Manipur and Himachal Pradesh, all States claimed in full the last instalment of money sanctioned for the various schemes of EAPP and, accordingly, it was paid bringing the releases for minor irrigation schemes to Rs. 148.136 crores (against schemes administratively approved totalling Rs. 151.90 crores). Short-term loans of Rs. 99.92 crores (inclusive of Rs. 17.60 crores under the normal programme) were also paid. The State-wise amounts administratively approved and the releases made to the State Governments, together with the reported achievements under the EAPP minor irrigation schemes are at Appendices IX—XI.

5.2. In the review of progress, based on reports received from State Governments prepared in early April 1973 by the Ministry it was stated that against the overall target of 1.62 lakh tubewells/pumps-sets to be energised, 1.27 lakh tubewells/pumpssets had been energised upto February-mid-March 1973, while 33,000 more would be energised by 31st March 1973 or latest by May 1973. The targets were reported to have been fully achieved in most of the States. Bihar had reportedly exceeded the target, but Uttar Pradesh and Tamil Nadu were falling short, in U.P. because of strike by power engineers and in Tamil Nadu due to shortage of power. Against the total target of 4,500 lift irrigation projects in all the States, the reported achievement up to February-mid-March 1973 was 3,803 and 829 more projects were expected to be completed by 31st March 1973 or May 1973, making a total of 4,632. Gujarat, Madhya Pradesh, Maharashtra, Nagaland, Tripura and West Bengal were reported to have achieved the targets fully, while Assam and Bihar had exceeded the

target. Short-falls were reported from Karnataka and Andhra Pradesh due to shortage of steel and cement in the former and disturbed conditions in the latter. Against the total target of 1270 State tubewells, 971 were reported to have been constructed up to the end of February-mid-March 1973 while 463 more were expected to be completed by the end of May 1973 or a total of 1434 tubewells. In Bihar and Punjab the targets were reported to have been exceeded—650 tubewells against the target of 500 tubewells in Bihar, and 114 tubewells against the target of 100 tubewells in Punjab. In U.P. the original target of 120 State tubewells had been subsequently stepped up to 220 with a corresponding increase in the outlay from Rs. 1.75 crores to Rs. 3.08 crores, and the entire programme was expected to be completed by the target date. In Haryana and West Bengal the targets were reported to have been fully achieved.

5.3. For shallow tubewells the overall achievement was reported to be 65,800 against the target of 65,450. Targets were reported to have been fully achieved in Assam, Bihar, Punjab and Rajasthan, while it had been exceeded substantially in West Bengal where 10,220 shallow tubewells were reported to have been constructed against the target of 8,000. In Punjab, particularly, construction of diesel-run shallow tubewells in the border districts of Amritsar, Gurdaspur and Ferozepur was reported to have been successfully completed, since the subsidy provided under the scheme in the form of supply of diesel engines to farmers had proved to be a strong incentive and reportedly evoked a very encouraging response.

5.4. The scheme for helping farmers and block level organisations with loans for purchase and installation of pumpsets was reported to have been substantially achieved with the total achievement being 29,619 against the target of 31,577 pumpsets. Kerala, Punjab and Tripura had reported complete achievement of these targets with Punjab having reportedly, distributed all the 15,000 stand-by diesel pumpsets for which loans had been provided to farmers owning electrically-run tubewells. In West Bengal, 5,700 pumpsets were reported to have been installed against the target of 4,900, while in Madhya Pradesh the achievement was reportedly 6,192 pumpsets against the target of 5,889. Shortfalls were, however, feared in U.P. and Tamil Nadu.

5.5. The State Governments had indicated that the works for extension of irrigation in command areas of major and medium irrigation projects were in full swing and were expected to be completed by the end of May, 1973. It was decided by the Central Government that the progress under the EAPP should be publicised by releasing

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to the press information about the work done and the production level attained in rabi, the areas sown in summer, etc.

[Paragraph 8 of the Supplementary Report of the Comptroller & Auditor General of India for the year 1972-73, Union Government (Civil)]

### *Review of implementation*

5.6. It was, however, noticed during test check by Audit that the actual position in implementation of the EAPP in the States was very different as explained in the succeeding paragraphs.

#### *I. Energisation of tubewells and pumpsets*

5.7. In Punjab against the EAPP target of 15,000 tubewells and the normal plan programme of 10,000 tubewells, the total number of tubewells energised upto December 1972 was 11,012. By 31st March 1973, according to information given by the State Electricity Board, 13,030 tubewells had been energised. No additional area was brought under irrigation, since the tubewells were already being run with the help of diesel pumpsets.

5.8. The EAPP target in Haryana was 15,000 tubewells to be energised, the normal Plan programme being 7,500. Test check revealed that 16,818 tubewells were energised in all upto 31st March 1973 (including normal Plan works) and 17,737 upto 31st May 1973. There was acute power shortage leading to heavy rostering in the State. Therefore, the extra tubewells energised under the EAPP did not help.

5.9. The EAPP target in Tamil Nadu was energisation of 10,000 pumpsets. However, the normal Plan target was reduced from 60,000 pumpsets to be energised to 45,000 after EAPP and the total achievement reported by the State Electricity Board, in September 1973, was 43,973 under the normal Plan and 10,283 under the EAPP. Instructions issued in December 1972 indicate that the pumpsets reportedly energised were selected from those out of the normal Plan programme on which work had commenced after August 1972 or those taken up after April 1972 but for which service connections had been given after August 1972. It was seen in test check that 558 schemes for 2,090 pumpsets (Rs. 56.29 lakhs) taken up before 1st August 1972 were brought under EAPP without adding to their scope, while expenditure in respect of 104 pumpsets energised before 1st August 1972 (Rs. 3.06 lakhs) and on 780 pumpsets ener-

gised after 31st March, 1973 or not energised (Rs. 17.48 lakhs) were also debited to EAPP.

5.10. The northern region of our country has been short of power. Nevertheless, Government of India gave, under EAPP, Rs. 12 crores as loan to Punjab and Haryana Governments for energisation of 30,000 tubewells. In addition, those two States had, under the normal Plan, programmed to energise 17,500 tubewells during 1972-73. Punjab Government had proposed to meet the additional power (100 MW) needed for the tubewells through newly installed diesel sets (50 MW) and by import of power from D.E.S.U., Madhya Pradesh etc. Lacking certain parts, the diesel sets supplied only 5 MW and, ultimately, the expectations of power from other sources did not materialise. Haryana had proposed to meet the additional power demand by import of 30 diesel sets (29.2 MW). That proposal too, did not fructify. In Punjab serious power shortage developed from October and the situation grew worse as time passed. Nevertheless, having the tubewell energisation scheme approved by the Government of India, the State Government continued to energise more tubewells; the numbr energised under EAPP being 9,935 during the period October 1972 to June 1973. It is noteworthy that Government of India not only financed energisation of pumpsets in Punjab, but also gave a loan of Rs. 309 lakhs to that State Government for buying stand-by diesel pumpsets to be used in the event of power shortage. Similarly, Tamil Nadu which too suffered from acute power shortage—was given, over and above Rs. 225 lakhs as loan for energisation of pumpsets, a loan of Rs. 50 lakhs for buying diesel engines for energisation of filter point wells which were ultimately to be replaced by electric motors when power was made available by the State Electricity Board. In addition, Government of India also provided Rs. 12 lakhs for Tamil Nadu to purchase diesel engines for Blocks for operating pumps in case of power cuts. Because of the too heavy load, frequent power breakdowns in Haryana and Tamil Nadu were reported. The EAPP as well as the normal Plan contributed to making more acute the already existing mismatch between power availability and demand in the northern region.

5.11. In Bihar as against the EAPP target of 12,500 tubewells the State Electricity Board reported that 10,060 tubewells had been energised between August 1972 and March 1973. Under the normal programme, however, only 2,413 tubewells were energised out of the 1972-73 target of 19,000.

5.12. In Karnataka the EAPP target was 11,000. In all 18,965 tubewells were reported by the State Electricity Board to have been



energised in 1972-73, inclusive of the normal Plan target of 9,273 tubewells. However, 8,188 tubewells were energised in January-March 1973 of which 4,318 were energised in March 1973.

5.13. In Rajasthan under the EAPP 205 new localities were to be electrified and 5,800 new connections were to be given against which it was claimed by the State Electricity Board that 1,000 connections had been given from 205 new localities and 4,824 from localities already electrified. Out of 1,000 new connections claimed only 287 were actually given in only 42 localities out of 201 localities of which records could be checked, while no connections were given in the other 159 localities. The Board's claim of having given 4,824 connections in already electrified localities could not be checked in the absence of appropriate records. Expenditure was booked to EAPP by transfer debit from works already executed earlier. The actual expenditure debitable to EAPP is not ascertainable as the Board worked out the total cost of electrification of localities as Rs. 87.51 lakhs on the basis of an average cost of electrification of Rs. 43,000 per locality. The actual cost varied between Rs. 7,185 (in Sikar district) and Rs. 54,502 (in Ajmer district).

5.14. In Andhra Pradesh the EAPP target of energisation was 20,000 pumpsets while that already provided by State Government under normal Plan was 12,000. Rupees 2.84 crores were accounted for under the EAPP. Of the 20,050 pumpsets reported by the State Government to have been energised upto 31st March 1973 under the EAPP, 9,610 pumpsets were actually energised under the normal Plan programme from April 1972—November 1972. Of the 10,440 pumpsets energised under EAPP, 4,092 were energised only in March 1973.

5.15. In Himachal Pradesh 300 tubewells were to be energised. By the end of May 1973, 113 tubewells had actually been energised. By March 1973 only 37 pumpsets had started functioning.

5.16. The EAPP target in Madhya Pradesh was 6,005 tubewells and 6,828 were reported by the State Electricity Board to have been completed upto March 1973. The Board had decided that all works taken up on or after 1st August 1972 and completed in time would be allocated to EAPP. In six districts records of which were test-checked, 664 tubewells had actually been energised till March 1973 against 1,199 claimed. In another district only 763 units had been energised till 30th September 1973 against 1,132 claimed to have been energised till the end of March 1973. In eight districts where records were test-checked, non-availability of loans for purchase of pumpsets, lack of water and inaccessibility of work sites had, inter

*alia*, resulted in less tubewells being energised than were otherwise possible.

5.17. The normal plan target in Uttar Pradesh was 50,000 tubewells to be energised (10,000 under State Plan and 40,000 under the Electricity Boards' commercial scheme) and the EAPP target was 25,000. In November 1972 the target under the commercial scheme was reduced from 40,000 to 15,000 on the ground that the scheme being costly was not popular amongst cultivators. Even the EAPP target was reduced in March 1973 to 19,200 since progress was slow and, additionally, there was also a power engineers' strike in January 1973. Upto the end of December 1972, only 25,295 tubewells were energised (i.e. about 60 per cent of the overall reduced target of 44,200 tubewells) and 36,001 tubewells were reported by the State Electricity Board to have been completed by March 1973, of which 17,310 were under the commercial scheme, 7,760 under the EAPP and the balance (10,931) under the normal plan. There was also power shortage, reducing power available to tubewells from 18 hours per day in November 1972 to 6 hours per day in February 1973. In five districts test-checked, against 6,300 tubewells planned to be energised under EAPP (out of a total energisation programme of 9,720 tubewells in these districts under all schemes) only 1,712 tubewells, i.e. only about 27 per cent, were actually energised till March 1973. The shortfall was attributed to delay in supply of essential stores and equipment, shortage of cement, staff, vehicles and salwood ballies. It was also stated that because of rostering of power supply cultivators were disinclined to go in for electrically operated pumpsets.

5.18. The Maharashtra State Electricity Board was to energise under EAPP 34,712 pumpsets at an estimated cost of Rs. 600 lakhs, against which Central assistance was limited to Rs. 500 lakhs, in addition to 32,750 pumpsets under other schemes. Only 42,229 pumpsets were reported to have been energised till 31st March 1973 (31,246 under EAPP and 10,983 others); further, of 25,620 pumpsets energised between November 1972 and March 1973, 11,664 were energised after the middle of January. These wells would not have been useful for the first three waterings of rabi crop, though those energised by 15th February might have helped in the fourth watering which was to be completed by that date.

## II. Lift irrigation schemes

5.19. In Bihar, 500 lift irrigation schemes were included in the EAPP. Though 530 lift irrigation schemes were reported as completed against 500 planned, local inspection in 8 districts disclosed that 247 pumpsets (out of 750 issued) had not been commissioned by

May 1973 while the additional area irrigated was only 5,000 hectares against the target of 20,000 hectares. It was later stated by the Chief Engineer concerned that out of 2,137 five H.P. pumpsets purchased for the lift irrigation scheme, 1,139 pumpsets had been issued for installation upto May 1973. Similarly out of 335 higher horse-power pumpsets purchased only 228 were reported to have been installed. Thus, pumpsets had not been installed at some of the sites. Against 30 barge-mounted pumpsets required for river lift schemes, only 25 sets were purchased out of which 12 could be commissioned. The remaining 13 were lying unutilised (October 1973). Though 51 pumpsets for lifting water to the upper reaches of the Sone canals were reported to have been installed by May 1973, 73 miles of feeder channels also required were incomplete.

5.20. In West Bengal establishment of 525 river lift irrigation stations, subsequently revised to 656 stations by State Government with an outlay of Rs. 4.25 crores, had been approved for the EAPP. Against 515 such schemes reported completed upto 24th March, 1973 and which had been planned to benefit an area of 14,000 hectares, test-check of 195 disclosed (October 1973) that only 32 were actually supplying water by 31st March, 1973 to 586 hectares. One reason given for delay in completion was that some pumpsets had been installed or tested (by the suppliers) late in the year. In Birbhum district, pumpsets were installed at 30 sites where water was not sufficient even for testing the pumps.

5.21. Before EAPP was started, there were, in West Bengal, 943 river lift irrigation stations. A test-check in four sub-divisions (134 stations) indicated that their utilisation ranged from around 13 per cent in October 1972 to 5 per cent in March 1973. The low utilisation of the existing stations was attributed by the State Government engineers, *inter alia*, to incomplete water transmission pipes or field channels, and area for water requisitions made being less as cultivators had not brought enough land under rabi and summer crops.

5.22. Rupees 111 lakhs, already spent on purchase of diesel pumpsets for 289 river lift irrigation stations in existence, were transferred to EAPP on electrification of those units on the ground that these diesel engines were then to be used for 131 stations included in the EAPP. These stations were not commissioned till March, 1973.

5.23. Out of the 122 schemes taken up in Karnataka fifty-one were really on-going schemes and 71 were new schemes. Only 16 out of the 51 on-going schemes were completed by March 1973. Three more were completed between April and June 1973. Only one out of the 71 new works was completed till March 1973. Two more were

completed by May 1973. Thirteen of the new works taken up were in the command areas of two major irrigation projects. They had earlier been dropped as they would be covered under the ayacut of the major irrigation projects. Delay in completing the schemes was stated to be due to delay in supply of concrete pipes resulting from shortage of cement and power, power lines not being completed in time, delay in supply of machinery, scarcity of diesel oil and delay in transporting equipment.

5.24. Gujarat had planned 510 lift irrigation schemes. Out of 548 pumpsets purchased, 208 were installed during December 1972-January 1973 and 202 more in February-March 1973. While another 63 were installed up to June 1973, 75 were not installed at all. These pumpsets were installed only at temporary sites and were subsequently removed and are lying stored in godowns (February 1974).

5.25. During test-check it was seen that in one district out of 135 pumpsets allotted, 28 did not work at all and no information was available for 9 sets. Out of 50 sets allotted to Ukai region, on 3rd February 1973, thirty-five sets were idle and 10 sets were under repairs.

5.26. Five hundred and fifty-eight lift irrigation projects were taken up in Orissa. No detailed plans or estimates were prepared and only 30 were completed in time for rabi (end of December 1972). Energisation points were not indicated in time, leading to delay in sanctioning of schemes. Against a target of 13,000 hectares, 5,038 hectares of irrigation potential were reported to have been created of which only 607 hectares could be used during the rabi season. Of 100 diesel-powered pumps planned, not even one was installed by March 1973. In the backward district of Kalahandi, Phulbari, Sundergarh and Keonjhar no lift irrigation pumpset was energised, while only one, out of 19 taken up, was energised in Bolangir district. Against Rs. 155 lakhs allotted, Rs. 142 lakhs had been reported as spent but test-check showed that Rs. 45 lakhs had been deposited with the Electricity Board in March 1973 and Rs. 40.05 lakhs were transfer-debited from other Plan works to EAPP.

5.27. Forty-two minor irrigation schemes were sanctioned in Andhra Pradesh; seventeen for lifting water from the Nagarjunasagar left canal, twenty-four from other canals and rivers and one for restoration of a tank. None of the 22 schemes, whose records were test-checked, was completed by the end of March 1973 or even by 31st May 1973; only three were completed by August 1973. Much work remained to be done on most of the others, including site survey and investigation of three schemes. For some schemes, the Electricity Board had not commenced work on electrification till September 1973.

5.28. These schemes even if completed might not have been useful for increased irrigation of the rabi (winter crop), particularly in 1972-73. Little water is available in winter in canals and rivers which were the source of water for 24 of these schemes. Whatever water is available stands allotted to registered ayacut-holders. Increased irrigation from the Nagarjunasagar left canal was also improbable, as the inflow into the Nagarjunasagar reservoir was poor because of scanty rainfall in its catchment area.

5.29. None of the eighteen lift irrigation schemes sanctioned in Himachal Pradesh had been completed till January 1974.

5.30. In Madhya Pradesh 1,380 schemes were planned. While completion of all the schemes was reported, actually 1,109 pumpsets had been obtained till September 1973; Rs. 30 lakhs had been surrendered on account of lesser number of pumpsets purchased. A check in eight districts disclosed that of 216 pumpsets allotted, 204 pumpsets were claimed to have been installed by the end of February 1973 but information was available only in respect of 82, of which 44 were reported to have been installed between November 1972 and February 1973 and 22 in March 1973, after irrigation of the rabi crop was over.

5.31. The Central Government had given medium-term loan of Rs. 600 lakhs for the lift irrigation schemes in Maharashtra. The State Government had proposed to take up 415 works, estimated to cost Rs. 1,326 lakhs, with irrigation potential of 88,000 hectares, but ultimately 366 works estimated to cost Rs. 1,335 lakhs with irrigation potential of 76,178 hectares were taken up. Of these two hundred and four were new works, while one hundred and sixty-two were incomplete works started before August 1972. Only 15 works were completed by March 1973 and 70 more by May 1973. Even by August 1973 two hundred and eighty-one works remained incomplete of which one hundred and thirty-four were expected to be completed by December 1973 and thirty-two more by June 1974. Information on the area irrigated was not available.

5.32. Twenty-five lift irrigation schemes, estimated to cost Rs. 427.35 lakhs were taken up in one district viz., Sangli. The estimates were prepared by a co-operative sugar factory for providing irrigation to the lands of its shareholders for growing "perennial crops". Rupees 87.61 lakhs were spent on these schemes upto May 1973. The works were expected to be completed but without the distributory system by May 1974. The new cropping pattern was yet to be decided.

5.33. The Maharashtra State Electricity Board had energised only 55 lift irrigation points by March 1973 and 36 more by September 1973. The expenditure incurred by the State Electricity Board was Rs. 108 lakhs. The slow progress of energisation was stated to be due to delays in acquisition of land, completion of civil works or laying of transmission lines. Delays by contractors and non-availability of essential materials, e.g. RCC pipes and steel was also reported. Till March 1973, Rs. 610.97 lakhs had been spent, but this figure included Rs. 148 lakhs advanced to the State Electricity Board, partly for work not yet done and Rs. 69.57 lakhs as centage charges which, however, were not chargeable since these were State Government works. There was also inflation of the centage charges, as it was charged twice on part of the expenditure and also charged on the advance given to the Electricity Board.

5.34. With the Central Government's loan assistance of Rs. 100.00 lakhs, Assam Government had planned installation of 283 electric lift pumpsets (189 in pump houses and 94 on barges) for irrigation of an additional area of 16,980 hectares. Against an order for 50 barges, only thirty-eight were supplied. Against the requirement of 283 electric pumpsets, 301 sets were procured and 280 sets distributed to various Divisions. The remaining 21 sets were lying in store (September 1973). Twenty-two sets were issued to Dibrugarh district though there was no demand. The State Government had reported to Government of India that 278 pumpsets had been commissioned. However, according to a joint report by the Chief Engineers only 117 pumpsets had been energised till 24th January 1973. Pumpsets energised thereafter would not have helped in the irrigation of the wheat crop till the crown root initiation stage.

### III. State Tubewells

5.35. In Bihar 500 new State tubewells were to be constructed under EAPP at a cost of Rs. 547 lakhs. The State Government had reported completion of 654 tubewells by 31st March 1973. The progress report prepared by the State Tubewells Organisation, however, showed that only drilling was completed of 654 tubewells. By 31st March 1973 only 368 tubewells were developed and had pumps installed and 646 by 31st May 1973.

5.36. In addition to the new tubewells, 674 existing State tubewells were also planned to be energised at cost of Rs. 229.00 lakhs. The State Government had reported energisation of 1292 tubewells (654 new and 638 existing) up to May 1973. The basis for this report could not be ascertained. According to the State Electricity Board

only 526 tubewells (298 new and 233 old) were energised up to May 1973.

5.37. In Gaya district 89 tubewells installed in August 1972 were incorrectly charged to EAPP. In Patna district 11 tubewells had to be abandoned half-way due to non-availability of water-bearing formations or when further drilling became impossible. In Darbhanga district, none of the 21 energised (old) State tubewells was working although the entire allotment of Rs. 42.80 lakhs was reported to have been spent. Advance of Rs. 125 lakhs was paid to the Electricity Board between January and March 1973. The Board had claimed Rs. 158 lakhs (Rs. 30,000 per tubewell) for energisation of 526 tubewells, but this was not accepted by the State Government up to March 1973 in the absence of detailed calculations and the exact location of the tubewells claimed to have been energised.

5.38. Under the EAPP in Uttar Pradesh two hundred and twenty new State tubewells were to be drilled (the State Government, however, undertook construction of 230) for which Rs. 3.08 crores were sanctioned. The State's normal plan was for drilling of 850 such tubewells. In fact, only 150 State tubewells were completed and energised by March 1973, and construction of 835 tubewells was at different stages, pumpsets having been installed on 511 tubewells. Expenditure of Rs. 252.57 lakhs was transfer-debited from normal works to 220 EAPP tubewells including Rs. 45.30 lakhs spent on works before EAPP was launched. Further, Rs. 81 lakhs were debited for purchase of construction equipment comprising of 6 drilling rigs, 6 air-compressors, 6 tractors, 12 trucks, 2 jeeps and 6 welding sets. No details were available with the Chief Engineer, Tubewells, regarding the purchase, deployment or utilisation of this equipment (December 1973).

5.39. The State Government had planned to energise 1459 State tubewells in 1972-73 and Rs. 105 lakhs had been provided in the State budget for that purpose. On the advent of EAPP, 700 of these were transferred to this programme, and Rs. 130 lakhs paid by Government of India were also deposited with the Electricity Board. Till March 1973 only eight hundred and sixty-four tubewells (including 150 mentioned above) were energised. Lines and sub-stations had been completed for 148 more tubewells which, however, were not ready for electrification. By 30th June, 1973, nine hundred and ninety-one were reported by the State Electricity Board to have been energised.

5.40. Two hundred and fifty State tubewells were to be drilled at a sanctioned cost of Rs. 3 crores to irrigate an additional area of 25,000 acres in West Bengal. The State Government had reported that 185 tubewells had been completed by 31st March, 1973. However, only 91 pumpsets had been issued till March 1973. The Electricity Board also indicated that only two tubewells were completed by 31st March, 1973 and twenty-one by 31st May, 1973.

5.41. In Punjab drilling of 100 tubewells was proposed in Gurdaspur, Hoshiarpur, Rupar and Patiala districts, where according to the Punjab State Tubewell Corporation water was available at a depth of 90 to 150 metres. Rupees 106.94 lakhs spent up to June 1973 included advance payments for purchase of stores (Rs. 2.20 lakhs) and deposit of Rs. 22.31 lakhs with the Electricity Board for energisation of tubewells. Out of 121 tubewells drilling of which had been undertaken, thirteen were abandoned and only one was energised by the end of March 1973; by 15th September, 1973, 12 tubewells were energised. Irrigation from these wells was not possible as irrigation rates had yet to be finalised (October 1973).

5.42. In Haryana, one hundred State tubewells were sanctioned at a cost of Rs. 72 lakhs, for augmenting water in canals in Hissar district. None of them was energised by 31st May, 1973. Of 100 tubewells planned for direct irrigation in Ambala district only three were energised by 31st May, 1973. The expenditure of Rs. 187.26 lakhs booked up to 31st May, 1973 on these two schemes included debits for unutilised stores, plant and machinery totalling Rs. 134.24 lakhs.

#### IV. Construction of private Shallow Tubewells

5.43. Out of the target of 65,450 shallow tubewells to be constructed in six States under EAPP, Bihar accounted for 46,000—30,000 bamboo borings, 10,000 handpumps and 6,000 cavity borings. Rupees 123 lakhs were sanctioned for this scheme. Of this amount, Rs. 73 lakhs were diverted for purchase of 2500 five-horse power pumps for distribution amongst farmers and the balance placed at the disposal of the Revenue Department in March, 1973. The Revenue Department allotted only Rs. 28 lakhs to different districts; information on utilisation of the balance of Rs. 22 lakhs was not available (December, 1973). No documents were available with the Department to indicate the basis of its report that 52,630 bamboo and cavity borings had been completed during 1972-73. It was stated that information was being collected, in December, 1973, from District Officers.



5.44. In West Bengal 8,000 shallow tubewells were to be drilled. Out of 8237 tubewells reported as completed by 24th March, 1973, test audit of 1538 tubewells in a division disclosed that only six had been energised up to 31st March, 1973. Another division had reported that 520 tubewells had been sunk but not energised. In Burdwan district, out of 522 sites for tubewells selected 144 sites could not be worked due to unsuitability of sites. According to an officer of the State Hydrological Department, preliminary survey or groundwater investigation had not been undertaken, water table contours not prepared and data about fluctuation of water levels not collected before the sites were selected by the Block Development Officer, or District Agricultural Officers. This led, for example, to higher average consumption of pipes in that district, viz. 165 rft. per tubewell, against 75 rft. estimated. In two other districts also, water level in some places was lower than expected initially. There were security problems, too, in that there was theft of motors from 63 units in Burdwan Division.

5.45. Due to Indo-Pak conflicts in 1965 and 1971, agricultural activities in the border districts of Amritsar, Gurdaspur and Ferozepur in Punjab had suffered a setback. Therefore, it was proposed to sink 10,000 shallow tubewells in these districts. The tubewells were to be installed within 16 Kms. of the international border and financial assistance was to be given to farmers, 50 per cent as subsidy (i.e. a diesel engine free of cost) and 50 per cent as loan. For farmers owing more than three hectares the subsidy was 25 per cent. Rupees 250 lakhs by way of loan and Rs. 197 lakhs as subsidy were provided. Rupees 245.68 lakhs were disbursed as loans to 9144 persons. Of that amount Rs. 19.44 lakhs were given to 721 individuals in Valtoha, Bhikhiwind and Patti blocks, areas suffering from water-logging and salinity and, therefore, to be excluded from the scheme. Only 7173 diesel engines were procured against 9144 loans sanctioned and only 2256 were issued up to March, 1973. Of the 2256 engines issued to cultivators one thousand five hundred and forty-three or about 68 per cent were supplied in March, 1973 only. Four thousand eight hundred and twenty-five more engines were issued till 15th July, 1973. Fifty-seven engines were defective. Two thousand one hundred and fifty-five persons, to whom Rs. 53.87 lakhs had been granted as loans, had not come forward to lift their engines. How these loans were utilised had not been verified (July 1973). Of the engines purchased, two thousand four hundred and forty-one were supplied by the Punjab State Marketing Federation out of more than 3,000 such engines purchased in the previous years, in disposal of which the Federation had been experiencing difficulty. The average cost of engines supplied by private manufacturers was Rs. 1,722, while those

supplied by the Federation averaged Rs. 2,471 each. Rupees 36.90 lakhs more were deposited with the Federation on 31st March, 1973 for supply of a further 2098 diesel engines but none had been supplied till September, 1973.

5.46. In Jodhpur, Pali, Nagaur and Bikaner districts, the Rajasthan State Ground Water Department had proposed to sink 50 new cluster tubewells at a cost of Rs. 15 lakhs as part of the EAPP. Later it was decided to use EAPP funds to extend taccavi loans to cultivators to buy the tubewells already drilled under the Drought Prone Areas Programme. The money was to be given to the Ground Water Department on behalf of the cultivators who would be considered to have borrowed the money and paid it. Forty-nine wells, including seven drilled in 1971, were selected. But only six of them were actually energised till March, 1973, and thirty more till September, 1973. Rupees 13.52 lakhs were booked to EAPP. The delay in energising the remaining wells, according to the State Government, was due to unapproachability of sites, land-ownership disputes pump-sets not purchased/installed and applications for electrical connections not falling in the Electricity Board's priority list.

5.47. With loan assistance of Rs. 20.00 lakhs Assam Government reportedly installed 200 shallow tubewells to irrigate 1600 hectares. Of these, 72 tubewells did not work at all including forty-one where even engines were not fitted. The 128 tubewells commissioned worked for an average of 42 hours each till 31st March, 1973, the low utilisation being due mainly to break downs and lack of demand. Only 180 hectares were actually irrigated for the rabi crop.

*V. Extension of canals and distributaries in command area of major and medium irrigation projects.*

5.48. In Gujarat, it was planned to expedite work on the canal system of the Ukai Dam to utilise water available in September, 1972 (adequate for 40,000 hectares) to irrigate 6076 hectares during the rabi 1972-73 season with the central assistance of Rs. 150 lakhs. Up to end of March, 1973, Rs. 124.76 lakhs were spent and the planned irrigation potential of 6,000 hectares was reported to the Government of India as achieved. It was, however, seen in audit that by March, 1973 earthwork was completed in 45 kms. of the 48 kms. long main canal and in one branch canal but was more or less incomplete in the other two branch canals and all the distributaries. All other works were also incomplete. Consequently no irrigation was possible from these canals during rabi 1972-73.

5.49. For the augmentation canal (estimated cost Rs. 819 lakhs) which is a unit of the Augmentation Canal Project (estimated cost Rs. 1,269 lakhs), Government of India provided a loan of Rs. 428 lakhs to Haryana Government. This was a continuing Plan project scheduled for completion by December, 1972; it was actually completed on 10th January, 1973. After deducting the State Plan budgeted fund (Rs 322 lakhs) from the total expenditure of Rs. 716.88 lakhs in 1972-73 on this scheme, the expenditure chargeable to EAPP could only be Rs. 394.88 lakhs. Thus, under the EAPP Rs. 33.12 lakhs had been paid in excess as loan to the State for this canal. Of 55,000 hectares of irrigated area expected, only 18,000 hectares were reported as having been irrigated during rabi 1972-73.

5.50. By completion of the distributory system of the Nargund branch canal of the Malaprabha project, it was planned to irrigate 4,856 hectares during rabi 1972-73 in Karnataka. It was stated that water was released for 1200 hectares in December, 1972 and 2800 hectares till March, 1973. How much area was actually irrigated was not known. This was a normal Plan project, and no additional work was done or area brought under irrigation. Expenditure of Rs. 40 lakhs reported was thus diversion of EAPP funds to meet Plan expenditure.

5.51. The schemes in Rajasthan were—

- (a) levelling of 1000 hectares of land in Kotah district (Rs. 4 lakhs);
- (b) drainage work in Chambal command area (Rs. 20.70 lakhs).

The amount for (a) above was drawn by the Collector, Kotah, on 31st March, 1973 and thereafter only Rs. 58,600 were spent and the balance remained unutilised even upto September, 1973. Lack of maintenance of drainage works in the Chambal command area had led to heavy seepage and rise in the ground water level, leading to water logging in over 16,000 hectares. The executing authority stated that work was undertaken from December, 1972 onwards only and cultivation could commence only in the season following completion of all the works, i.e., after the water level had gone down.

5.52. The following four schemes were sanctioned in Uttar Pradesh:—

- (a) increasing capacity of some lift canals by about 220 cusecs at a cost of Rs. 60 lakhs;

- (b) construction of 12,000 outlets and 1350 syphons on State tubewells;
- (c) construction of 2713 outlets and 1008 syphons on canals;
- (d) construction of 40 kms. of minors on canals with long leads.

(a) Expenditure of Rs. 60 lakhs was reported, but there was no report of physical progress up to March, 1973. A test check of seven lift canals (where major increases in their capacity were planned) indicated that on one, the Dalmau canal, work had not been completed till December, 1973 on laying of line for electrification of 2 pumps (installed earlier), though electrification was the only work to be done. No work was done on Bhapauli and Narainpur canals. Capacity was augmented on Razapur, Purwamir and Chatapur canals by 15 cusecs, against the planned increase of cusecs under the normal programme and 17.5 cusecs under EAPP. Rupees 36.33 lakhs debited to EAPP on these canals included expenditure on barges under construction, cost of materials, etc., required for other canals, advances given, expenditure incurred before June 1972, expenditure on running a canal etc.

It has been claimed that against (b) above 11,450 outlets and 3600 syphons and against (c) 1570 outlets and 670 syphons were provided till March, 1973.

Against the target of 40 kms. of minors under (d) above, it was reported that 51 kms. were completed and Rs. 12.25 lakhs spent. As the Chief Engineer, Tubewells, had no information (December 1973) of the division which had been entrusted with, or had executed the work, neither work done nor expenditure debited (Rs. 12.25 lakhs) could be verified.

#### VI. Supply of pumpsets

5.53. Four hundred pumpsets were to be supplied in Kerala free of cost to panchayats and other service organisations, against which 484 pumpsets were purchased. Only 234 pumpsets had actually been installed (November 1973).

5.54. In Madhya Pradesh Rs. 200 lakhs were sanctioned for supply of 5889 pumpsets. The entire assistance provided by Government of India was passed on by the State Government to the apex cooperative bank for being distributed through the cooperative banks to cultivators as 'taccavi' for purchase of pumpsets. Out of 1981 pumpsets

reported to have been distributed in eleven districts only 1410 had been put to use by 31st January, 1973 when watering of the rabi crop had practically ceased. In Raipur district, the number of pumpsets distributed up to March, 1973 was reported by the Registrar of Cooperative Societies as 1003 pumpsets but, according to the information furnished by the Central Cooperative Bank, the number was 691 pumpsets. In Shivpuri and Gwalior districts, six pumpsets were actually distributed, by the end of December 1972—January 1973, though it had been reported that seventy-six were distributed. While Government of India charged 5 per cent interest on the medium-term loan it gave to the State Government those taking loans from the cooperative societies had to pay 9-1/2 per cent interest. Further the repayment period stipulated by the apex bank and central cooperative banks was 7 years as against 15 years prescribed by Central Government for repayment of these loans by the State Government.

5.55. In Punjab, purchase of 15,000 stand-by diesel pumps for tubewells already electrified was proposed, for which a loan of Rs. 3.09 crores was sanctioned. Out of 14,926 persons reported to have taken loans (totalling Rs. 307.34 lakhs), only 2271 had furnished dealers' receipt by 15th July, 1973 as proof of purchase of diesel engines. Certificates of verification of the working of the diesel engines had been furnished by the Block Development Officers or Panchayat Officers only for 639 cases (Rs. 13.86 lakhs) up to 15th July, 1973. Test-check of 12,127 loans cases (Rs. 247.92 lakhs) in 9 districts disclosed that in 3090 cases (Rs. 61.94 lakhs) loans had apparently been sanctioned without ascertaining whether the person owned an electrified tubewell at all. Further, 94 per cent of the total amount was distributed in February—July, 1973 when the season for watering of the rabi crop was over. The total energy available with the State Electricity Board dwindled continuously between November 1972 and February 1973 leading to imposition of a cut on supply of power to tubewells from 12 hours a day to 8 hours a day (11th December, 1972 to 26th December, 1972) and further to 4-5 hours after that date (extending up to 8th April, 1973). Therefore, late disbursement of the loans defeated the objective, viz., to deal with the contingency arising from shortage of power.

5.56. In West Bengal Rs. 196 lakhs were to be given as loan for purchase of 4,900 pumpsets. The money was given to the State Agro-Industries Corporation which was to purchase the pumps and supply them to individual cultivators on a delivery order issued by the District Agricultural Officers. The cultivator had to deposit 5 per cent in cash, the balance being treated as loan repayable in instal-

ments. The Corporation was to forward paid bills of the supplying firms and the receipted copies of the delivery orders to adjust the amount received by it earlier. In four districts the records of which were checked, out of Rs. 158.78 lakhs advanced to the Agro-Industries Corporation for supply of 4070 pumpsets, adjustment papers for only Rs. 5.08 lakhs had been received upto October 1973.

VII. *Some other EAPP schemes undertaken by States.*

5.57. Some EAPP schemes executed by States which were not of the types described above are mentioned below:

558. In Bihar the following four schemes were taken up:—

- (a) Construction of big diameter wells (Rs. 80 lakhs).
- (b) Purchase of aluminium pipes for tubewells (Rs. 15 lakhs).
- (c) Purchase of rigs and accessories (Rs. 82 lakhs).
- (d) Purchase of sprinklers (Rs. 52.61 lakhs).

(a) *Big diameter wells*:—In Santhal Parganas district and in the Chhota Nagpur plateau, sinking of tubewells is not feasible. The State Government, therefore, planned initially to construct 900 big diameter wells in those areas. The command area of each well was to be 2 hectares. Apprehending non-completion of the wells before June 1973, the State Government decided in late November, 1972 to increase the number of 1800 and utilise the amount, sanctioned by Central Government by 31st March, 1973 for collection of material for these wells. Subsequently, towards the end of February 1973, the number of wells for which materials were to be collected was further raised to 3,600.

No irrigation could be provided from these wells during the rabi season as none was completed till 31st May, 1973. Only 8 wells are completed upto 30th June, 1973, but by then there was no demand for water due to heavy rains.

Test-check in Palamau and Hazaribagh districts showed that out of Rs. 13.14 lakhs drawn, only Rs. 6.80 lakhs had been spent upto 31st March, 1973.

(b) *Aluminium pipes for tubewells*:—For quick irrigation from tubewells, aluminium pipes were purchased as an alternative to pucca channels, but out of 217 sets (each 300 metres long) purchased between November 1972 and March 1973, 134 sets were received

between 14th and 31st March, 1973 and, therefore, no longer required for watering the 1972-73 crop. The 83 sets received earlier were distributed to the Divisions only in April—July, 1973. Since the aluminium pipes would lie in the open, there is risk of theft.

(c) *Rigs and accessories*:—Ten new rigs (cost Rs. 26.38 lakhs) were purchased during November 1972—February 1973 to add to the State Government's existing fleet of 7 rigs. Accessories worth Rs. 52.49 lakhs were also purchased for the 17 rigs. On the basis of the rigs available from month to month (8 in November 1972, 12 in December 1972/January 1973 and 17 thereafter) 292 tubewells could have been drilled by March 1973 and 453 by May, 1973. Actually only 149 and 241 tubewells were drilled till March and May, 1973 respectively. Further, 12 jeeps (cost Rs. 3.24 lakhs), 1 tractor (Rs. 0.37 lakh) and 2 Ambassador cars (Rs 0.43 lakh) were also purchased.

(d) *Sprinklers*:—In January 1973 it was suggested by Government of India that sprinklers might be tried in Chhota Nagpur Plateau area as a demonstration scheme and one of the stipulations was that the economics of this scheme should be worked out. Without doing that, orders were placed on 9th March, 1973 for supply within March 1973, of 50 sprinklers-sets costing Rs. 52.61 lakhs. Only 10 sprinklers-sets were supplied by 31st March, 1973 and the rest in June 1973. All the sets were lying unutilised save one installed in Arrah in November 1973. The Irrigation Commission had stated in its report that in India sprinkler irrigation, though taken up in the early fifties, had not caught on, that sprinkler irrigation required an initial investment of about Rs. 1750 per hectare, and that though theoretically sprinkler irrigation can be applied to any crop other than paddy and jute, even for other crops advantages are not uniform. The Commission had recommended that sprinkler irrigation might be tried only as an experimental measure.

5.59. In Rajasthan revitalisation of 2600 wells by blasting was taken up at an estimated cost of Rs. 31.25 lakhs. Against the original proposal covering 15 districts, only 5 districts were covered, viz., Ajmer, Udaipur, Jodhpur, Bhilwara and Chitorgarh. The work commenced in November 1972 and by 31st March, 1973, 3342 wells were stated to have been deepened by blasting and 342 more wells during April—July, 1973. No information is available of the number of dry wells deepening of which was successful and from which irrigation water came to be available. It is reported that in Ajmer district, where almost 50 per cent of the money was spent, land which could otherwise have suffered badly because of drought, did in fact benefit.

**Rupees 6.29 lakhs remained unutilised out of Rs. 31.25 lakhs sanctioned for the scheme in the State.**

5.60. In Gujarat, distribution of Rs. 250 lakhs as taccavi loans for construction and deepening of wells was approved. The State Government did not inform the officers responsible for distribution of the loans (or for Rs. 200 lakhs received for agricultural inputs under EAPP) that these amounts were to be utilised for increasing foodgrain production during the year. The total amount of Rs. 450 lakhs was thus merged with other allocations for famine relief, etc. Of Rs. 699.93 lakhs distributed till 31st March, 1973, Rs. 623.82 lakhs were disbursed in Bhavnagar, Amreli, Junagadh, Surendranagar, Rajkot, Jamnagar and Kutch districts which had been badly affected by drought. Further loan applications (maximum of Rs. 3,000 in rocky areas and Rs. 2,000 otherwise) were entertained up to 31st March, 1973. In 12 taluks records of which were checked, no new wells had been sunk, though Rs. 149 lakhs had been disbursed to 24,393 applicants.

5.61. In Orissa, the following schemes were taken up:—

- (a) Reservoirs (Rs. 255 lakhs).
- (b) Renovation of 37 tanks (Rs. 40 lakhs).
- (c) Cross bunds on streams (Rs. 20 lakhs).

(a) *Reservoirs*:—Work on 48 reservoirs already in progress was to be accelerated and completed in time to provide water for the rabi crop. On these 48 projects estimated to cost Rs. 1032.00 lakhs, Rs. 248.00 lakhs had already been spent by the State Government up to 1971-72. In 1972-73, Rs. 95.48 lakhs and Rs. 228 lakhs were spent from State Plan funds and EAPP funds respectively. Against 3480 hectares planned for coverage in rabi 1972-73, 2380 hectares of irrigation potential were reported to have been created. The extent of utilisation was not ascertainable.

(b) *Renovation of tanks*:—Not one tank was completely renovated even though Rs. 40 lakhs provided under the EAPP were stated to have been utilised in full.

(c) *Cross-bundling of stream*:—By constructing diversion weirs on nullahs and streams, water was to be harnessed at the end of the kharif season for utilisation in rabi. Between September 1972 and January 1973, funds were allotted to 13 districts for execution of the works through panchayat samitis. Though Rs. 22.32 lakhs were shown as spent, complete accounts had not been submitted even by



November 1973, in spite of Government instructions to submit the bills by 15th April, 1973. Whether the expenditure had actually been incurred before 31st March, 1973 could not, therefore, be ascertained. All the cross-bunds were stated to be temporary in nature and not more than 10 per cent was likely to survive for the next rabi season.

5.62. Unlike tubewells constructed earlier each of which had 1 mile of pucca 'gul' and 2 miles of kutchha guls, 3380 tubewells constructed after the Third Five Year Plan in Uttar Pradesh had only one mile of pucca gul and no kutchha gul, while some tubewells, though energised, had no guls at all. Inadequacies in, or lack of guls had hindered utilisation of irrigation potential created by these tubewells. A major scheme in that State, therefore, was construction of 4,000 miles of kutchha guls, for distributing water from such tubewells, at a cost of Rs. 373 lakhs. The Chief Engineer (Tubewells) reported that, upto March 1973, 3830 miles of kutchha guls had been constructed and Rs. 373 lakhs spent. Neither expenditure nor progress of work could be verified in audit as the Chief Engineer had no information (December 1973) about the locations or the Divisions where the work had been done or expenditure incurred. Further, in 20 Divisions Rs. 52.67 lakhs charged to EAPP were for acquisition of land. The amount had actually been placed in deposit on an *ad hoc* basis. Details of land acquired or proposed to be acquired were not available upto December 1973. In fact, land acquisition proceedings were yet to be initiated in the majority of cases even in December 1973.

The 4,000 miles of kutchha guls were expected to irrigate an additional area of 24,000 hectares in rabi 1972-73 season but the area actually irrigated was not ascertainable (December 1973). In 7 districts, the areas irrigated in 1972-73 as compared to 1971-72 were:

District	Area irrigated (in acres)	
	1971-72	1972-73
Hardoi . . . . .	14,481	14,691
Lucknow . . . . .	6,955	7,034
Azamgarh . . . . .	48,429	48,923
Sitapur . . . . .	15,817	14,685
Gorakhpur . . . . .	44,177	32,018
Basti . . . . .	45,350	433,289
Deoria . . . . .	66,993	40,599

As will be seen, there were only marginal increases in the areas irrigated in the first three districts, and decrease in the other districts during 1972-73 as compared to 1971-72.

5.63. In Maharashtra the following schemes were taken up:—

(a) Minor irrigation in State sector.

Of 379 minor irrigation works in progress, gorge-filling (which is the last stage) was to be completed on 60 (estimated cost Rs. 656 lakhs). Gorge-filling of 82 more was proposed under EAPP at an estimated cost of Rs. 1494.47 lakhs, for which the Central Government paid Rs. 500 lakhs. Completion of 113 works (67 EAPP 46 normal Plan), out of 142, by June 1973 was reported. But in nine districts test-checked, against 48 works with irrigation potential of 18 467 hectares reported to have been completed till June 1973, only 26 with irrigation potential of 5793 hectares had actually been completed. Many which had been reported as complete lacked outlets, distributaries etc., while some of those completed in time for the next kharif season 1973 were not used because there was no demand for water then.

(b) Extensions of and improvements to existing irrigation system.

Existing bandharas and canals were to be improved by special repairs, desilting, providing additional outlets etc., for which Rs. 25 lakhs were received as Central assistance. The State Government had no information about the number of works started. It had reported in March 1973 to the Central Government that all works were nearing completion. Of 190 works taken up in 8 districts test-checked, only 97 works were completed by March 1973. The irrigation potential of 2173 hectares created, against the target of 8506 hectares, was utilised only to the extent of 963 hectares; the rest was not utilised either because all works were not complete or because of lack of water.

(c) Construction of field channels in command areas of irrigation projects.

Field channels were to be constructed in 2.12 lakh hectares (later revised to 2.23 lakh hectares) remaining out of the ayacut of 3.90 lakh hectares created by various major and medium irrigation projects. Central assistance was Rs. 100 lakhs against the total estimated cost of Rs. 124 lakhs. It was reported that the works were complete (though some channels were below specifications and would need

modification) and that 1.47 lakh hectares had been irrigated. It was found in 8 districts test-checked that even though field channels were constructed for a command area of 1.34 lakh hectares, only 0.19 lakh hectares were actually irrigated mainly because of shortage of water.

(d) Energisation of State tubewells.

Five tubewells were to be energised at a cost of Rs. 2 lakhs. Pumps were received in September 1973 and three were erected in December 1973.

(e) Minor irrigation works in local sector.

It was originally proposed to fill the gorges of 55 percolation tanks (which were owned by zila parishads) at an estimated cost of Rs. 53.83 lakhs. Ultimately, execution of 167 works was taken up and Rs. 68.91 lakhs were reported to have been spent. In fifteen districts 42 works remained incomplete, generally because of shortage of cement. No information about area benefited was available (November 1973).

(f) Expediting completion of minor works in progress in local sector.

To expedite completion of the minor irrigation works in progress and extend irrigation before kharif 1973-74 the State Government needed Rs. 923.45 lakhs and to that end Rs. 300 lakhs was paid by the Centre. It was found that in seventeen districts out of 703 works undertaken, 534 works had been reported as complete till 31st March 1973, but some of the latter could not be used as distributaries etc., were incomplete even till September 1973. Of the total irrigation potential (11.180 hectares) created, only 882 hectares were utilised in rabi and 30 hectares in summer 1972-73.

(g) Co-operative lift irrigation.

It was proposed to complete, in time for rabi 1972-73, 36 incomplete schemes being executed by co-operative societies by giving them financial assistance of Rs. 52.75 lakhs. No scheme was completed by March 1973 though one society irrigated 80 hectares by November 1972. In all, 681 hectares were reported to have been irrigated during rabi 1972 against 4807 hectares planned. Non-completion was reportedly due to (a) shortage of cement and Hume pipes, and (b) repairs and work on pipe-line outlets, electric lines, installation of motors and pumps being still in progress.

(h) *Energisation of wells.*

Loans were to be given for installation of pumpsets on 28,000 private wells (and the pumps were to be energised) to irrigate 56,000 hectares. Against Central assistance of Rs. 200 lakhs received, expenditure of Rs. 481.07 lakhs was reported upto March 1973. Loans were given through district Collectors and the State Co-operative Land Development Bank. A test check of loans advanced by the latter showed that out of 7902 loans granted, 6257 were given between January and March, 1973. A random spot inspection of 1915 cases by the Bank indicated that by the end of March, 1973 only 804 cultivators had purchased pumps of which 733 had not been electrified. Similar instances of pumpsets not being installed or energised also came to notice in test check of certain districts.

VIII. *Purchases*

5.64. Pump-sets (diesel and electric) of different horse-power, drilling rigs, sprayers, threshers, pipes, steel dredger pipes, chasis etc., were purchased by State Governments to augment irrigation potential for rabi production. Much of the equipment, machinery of material was not received in time or, if received, could not be utilised to serve the purpose of the EAPP, despite relaxations in procedures.

5.65. In Gujarat 548 diesel engine pumpsets of different capacities required for lift irrigation were purchased through two public works divisions (Ukai canal division No. VII and Workshop Planning Unit). Prices paid by the latter division were for certain pumpsets purchased significantly higher than prices paid by the former. The Chief Engineer of the State Government said that, because of urgency, higher prices had to be paid; had the State Government not agreed to pay the higher prices, the State would have lost the entire lot to other States. In fact, deliveries were delayed and of those delivered issues for installation were further delayed. Seventy-five pumpsets (out of 548 purchased) were not installed at all. The pumpsets actually installed were removed and stored after use for a short while. It has been decided (February 1974) to rent them out at a token rent of Re. 1 per pumpset for the summer and to auction them thereafter.

5.66. In Punjab 7173 diesel engines were purchased for free distribution. Of them, 4520 (Rs. 77.52 lakhs) were purchased from private manufacturers and 2441 (Rs. 60.32 lakhs) from State Marketing Federation which supplied them out of 3,000 such engines which it had purchased earlier and disposal of which was being found difficult.

The cost of the remaining 212 engines, supplied to Pathankot Block could not be ascertained as the relevant records were stated to be with the Vigilance Department. Rs. 36.90 lakhs were also drawn and advanced to the Federation on 31st March, 1973 for purchase of 2098 more engines. Engines were not received and the advance remains unadjusted (September 1973).

5.67. In Tamil Nadu orders for purchase of 1647 pumpsets (Rs. 51.52 lakhs) were placed in March 1973. Further orders were placed later raising the number ordered till June 1973 to 4146. Of these, 724 sets (Rs. 24.43 lakhs) were received at the end of March 1973 and 2714 more till June 1973. Only 599 were utilised in March and 2630 upto June 1973.

5.68. In Orissa, out of 1265 sets (1156 electric and 109 diesel) including control panels for electric pumps to be purchased at a cost of Rs. 65 lakhs, 633 received without control panels on 31st March, 1973 were distributed thereafter. By 31st March, 1973, 922 control panels were received and were distributed in April and May 1973.

5.69. In Bihar, out of 11,151 pumpsets of different horse-power (Rs. 534.06 lakhs) purchased. 9270 pump-sets were five horse-power diesel pump-sets which were purchased on the basis of negotiations. Though completion of supplies by 16th October, 1972 was originally stipulated in the notice inviting tenders, orders for only 1330 pumpsets were actually placed on 16th October, 1972. Further orders were placed from time to time including 5639 purchased after 31st March, 1973. Of the pumpsets purchased 2137 pumpsets were intended for the emergency river pumping schemes; 1139 five horse-power sets were installed till 31st May, 1973. In addition, another 220 higher horse-power pumpsets (out of 335 higher horse-power pumpsets purchased) were installed by that date. Of 1494 five horse-power pumpsets purchased for distribution to cultivators by 31st March, 1973, none had been distributed till May 1973. Even as late as December 1973, 3646 five horse-power pumpsets were lying in stock.

5.70. In Assam, 1030 diesel and electric pumpsets were purchased for which Rs. 70 lakhs were advanced to the Assam Agro-Industries Development Corporation. Final adjustment of the advance has yet to be made (September 1973). Of these, 21 were lying (September 1973) in stores, 123 were issued to districts where no area was to be covered under wheat and 22 issued to a district without any demand.

5.71. For 525 river lift irrigation stations in West Bengal, purchase of 1050 diesel pumps, estimated to cost Rs. .2 crores, was planned on

the basis of prices of 300 pumpsets purchased by the State Government in January 1972. The State Government thought that in the context of rising prices invitation of fresh tenders might result in higher prices. Consequently, orders were placed on the basis of prices negotiated with certain firms who had supplied in the past.

5.72. For 250 State Tubewells being drilled in West Bengal under this Programme and 73 for other tubewells and as stand-by, 323 electric turbine pumpsets were to be purchased. Tenders were invited by State Government on 15th September to be opened on 4th October, 1972. On the ground that time was short, negotiations were conducted prior to the last date for receipt of tenders, with certain firms, which had supplied in the past, and orders (total cost Rs. 29.32 lakhs) were placed in October 1972 for delivery by 31st December, 1972. Orders for drilling of tubewells, referred to in paragraph 9(iii) above, where these pumpsets were to be installed on completion of wells, were placed only in December 1972 and the work was to be completed by March 1973. In fact delivery of the pumpsets was delayed and only by March 1973 were all 323 received. Even of the pumpsets received, only 91 were issued for installation by 31st March, 1973 and 251 till June 1973.

### *Rigs*

5.73. Out of 8 rigs purchased in Karnataka for Rs. 44 lakhs, six were received during October 1972 and January 1973 and the remaining two in July 1973 and September 1973. Five rigs were moved to drought-hit areas for drilling drinking water wells and one was not commissioned till June 1973. For Orissa, Rs. 10 lakhs were sanctioned by Government of India on 31st December, 1972 for purchase of a rig, out of which Rs. 6.74 lakhs were spent on acquiring a rig already with the State Government on hire basis. No tubewells were sanctioned under EAPP and the rig purchased was meant for State's normal tubewell programme. The actual utilisation of the rig could not be ascertained.

### *Sprayers*

5.74. In Tamil Nadu orders for purchase of 2400 sprayers (Rs. 17 lakhs) were placed on 12th March, 1973. Even though all sprayers were not supplied, payment of bills were authorised on 24th March, 1973. Sprayers were actually received thereafter till 29th April, 1973. All the sprayers were lying unutilised till August, 1973.

**Threshers**

5.75. In Assam orders for 100 threshers for use by farmers during the harvest season were placed in September 1972 and two more orders for 300 threshers in March 1973. Against 400 threshers ordered, 365 were actually supplied—216 till March 1973 and the rest between April and September 1973. Only 203 were issued by March 1973. Another 83 were issued during May to September 1973. The remaining 79 were not issued till September 1973. Of those issued, 42 were not used and the others worked much below capacity, reportedly because they were sub-standard and suffered mechanical breakdowns.

**Miscellaneous equipment**

5.76. In Maharashtra purchase of pumps, pipes, chain pulley—blocks, girders etc. was ordered for Rs. 443 lakhs. In 51 out of 84 divisions which executed the works, materials valued at Rs. 152 lakhs, out of the total of Rs. 198 lakhs purchased, were not used till May 1973. Out of 5173 tonnes of steel purchased, 996 tonnes were purchased in the open market at rates higher than the J.P.C. rates entailing extra expenditure of Rs. 16 lakhs. Two thousand nine hundred forty-nine tonnes valued at Rs. 44 lakhs remained unutilised upto November 1973. Advance payments of Rs. 12 lakhs to various firms for supply of pipes etc. in March 1973 remained unadjusted till November 1973. Of this, in Sangli district where Rs. 9.77 lakhs were advanced, material was not supplied till November 1973.

5.77. In Uttar Pradesh orders for purchase of 39 jeeps (Rs. 11 lakhs) were placed in March 1973. The jeeps were received between June 1973 and November 1973.

[Paragraph 9 of the Supplementary Report of the Comptroller & Auditor General of India for the year 1972-73, Union Government (Civil)]

**Irrigation Schemes**

5.78. The Committee asked whether the Ministry of Irrigation and Power had informed the Ministry of Agriculture about the power shortage in advance. The Secretary, Ministry of Agriculture replied during evidence:

“Yes. The Irrigation and Power Ministry did give us a warning at fairly early stage. We had doubts about achieving this target because as much as 75 per cent of

the programme was very much dependent on the supply of power and this was short."

The Committee desired to know why, in spite of such a clear warning, the Ministry had moved ahead with the programme of energisation or giving money for rural electrification. The witness stated that by that time the money had already been spent or committed.

5.79. The Committee asked whether the Ministry of Agriculture had consulted the Ministry of Irrigation and Power on the region-wise availability of power, particularly the additional power that would be required for energisation of tubewells and pumpsets under the EAPP and, if so, the Committee desired to know what was the advice tendered in this regard. The Committee also enquired whether the Area Officers had sanctioned energisation schemes, for each State, in consonance with the expected region-wise availability of power. In a note furnished to the Committee in this regard, the Ministry of Agriculture replied:

"A Joint Secretary of the Ministry of Irrigation and Power was a member of the Group of Joint Secretaries constituted to review regularly the progress and problems of the EAPP and assist the Committee of Secretaries of the Cabinet in monitoring the programme. He kept the Group informed of the Power situation in different parts of the country.

Under the EAPP, bulk of the outlay was provided for schemes of energisation of pumpsets, tubewells and lift-irrigation points. All such schemes were sanctioned after careful scrutiny in consultation with the Ministry of Irrigation and Power, Rural Electrification Corporation and the respective State Electricity Boards. The availability of power in various States for additional tubewells pumpsets proposed to be energised under the EAPP had been checked up by the Area Officers concerned before actually sanctioning the schemes."

5.80. The Committee desired to know what information was available with the Area Officers about river lift irrigation schemes already undertaken before the EAPP in respect of each of the States in which such schemes were sanctioned under the EAPP and whether this information revealed to the Area Officers that the



schemes were working satisfactorily. In a note, the Ministry of Agriculture stated:

“While examining the various minor irrigation schemes to be taken up under the EAPP including river lift irrigation schemes, the Area Officers invariably went into the past performance and the capacity of the State Governments to undertake further programmes. Besides, it may be mentioned that river lift irrigation schemes have established their utility in regions bordering on rivers and streams because they provide quick and assured irrigation and involve a low initial investment per hectare. This programme was, therefore, accelerated in several States under the EAPP.”

5.81. The Committee asked what available facts and circumstances relating to water availability in the catchment areas of the rivers flowing through northern Karnataka, Andhra Pradesh and Maharashtra the Area Officers had relied upon to conclude that the minor irrigation schemes like cross bunding of streams, gorge filling, lift irrigation, etc. would provide adequate water for the rabi season and whether the Area Officers had taken into account the rainfall upto the end of September 1972 in each of the States while sanctioning schemes. In a note, the Ministry of Agriculture replied:

“During their visits to various States, the Area Officers had detailed discussions with the technical officers of the State Governments on various aspects of including the availability of water in the catchment areas. It may be mentioned that all State Governments have full-fledged technical departments which are responsible for investigation, surveys, execution, operation and maintenance of irrigation works. The schemes like cross-bunding of streams, gorge-filling, lift irrigation etc. which were taken up under the EAPP, had been formulated by the concerned technical agencies after taking into account all relevant factors including the rainfall situation.”

5.82. Since field channels or pipes for distributing the water are absolutely essential for the large State tubewells to be effective, the Committee asked whether the Ministry of Agriculture were not aware that the lack of field channels was one of the important reasons for the State tubewells installed earlier, before the EAPP, not having

their potentialfully utilised. In a note, the Ministry of Agriculture replied:

“While examining the schemes for State tubewells, the Area Officers had gone into all these points relating to construction of field channels for distribution of water from tubewells, and the requirements of equipments and material including the time involved in their procurement and supply. This assessment did not at that time show that during the short period available for implementation of the EAPP it would not be possible to accomplish the task.”

5.83. The Committee desired to know whether the Ministry of Agriculture had obtained from each State Government details of the additional irrigation facilities created in time to provide water for the 1972-73 rabi crop and the following summer crop, where there was such a crop and the extent to which those facilities were utilised and the additional foodgrains produced as a result thereof and, if so, the Committee desired to be furnished with the scheme-wise and district-wise details. In a note, the Ministry of Agriculture stated:

“It was estimated that the minor irrigation programmes taken up under the EAPP in various States created an additional irrigation potential of the order of about 7.5 lakh hectares.”

State-wise details furnished in this regard by the Ministry are reproduced in Appendix ‘E’. The Ministry informed the Committee that district-wise details were not available.

5.84. The Committee asked whether it was a fact that in January-February 1973, when it was known that many of the minor irrigation schemes had not made much headway and the shortages of fertilisers, etc. had also necessitated revision of the original food production targets, additional funds were sought to be given for certain minor irrigation schemes. The Committee also called for details of the proposals received from State Governments justifying such demands for additional funds when the EAPP was almost coming to a close and the action taken on these proposals. A statement furnished by the Ministry of Agriculture in this regard is reproduced in Appendix ‘I’.

5.85. According to paragraph 12\* of the Audit Report, while the Central Government had planned for an increase of wheat production in Punjab by 8 lakh tonnes and made finance available to that State Government accordingly, the Punjab Government had, however, planned for only an increase of 2 lakh tonnes. Similarly, while the Punjab and Gujarat Governments had made no plans to increase gram production, the Central Government had planned an increase of 1.08 lakh tonnes and 10,000 tonnes respectively in these two States. Against the additional production of 46,000 tonnes of rabi jowar targetted by the Centre in Gujarat, no plans had been made by the State Government as, according to them, the sowing season of jowar had ended. In view of the above, the Committee desired to know the details of the minor irrigation schemes which were expected to yield the additional foodgrain production envisaged by the Central Government in these two States and of the financial outlay on these schemes. The Committee also enquired into the reasons for not taking into account the actual plans of the State Governments under wheat, gram and jowar before fixing the targets which, in the final analysis, proved to be unrealistic. In a note furnished to the Committee, the Ministry of Agriculture replied as follows:

“The targets of additional foodgrains production are those to which the Governments of Punjab and Gujarat had committed themselves during the conference held in September 1972. So far as wheat is concerned, the Government of Punjab had accepted the target of 8 lakh tonnes of additional production under the EAPP, but as the constraints of fertiliser and power became more and more severe in course of time, the estimates of likely production went lower and lower and the State Government expected (in January 1973) an actual increase of only 2 lakh tonnes during 1972-73 over the previous year's production, although even this expectation did not materialise and the actual production during 1972-73 was lower by 2.50 lakh tonnes than in the previous year due mainly to inadequate irrigation and widespread rust attack. This decline in production was in spite of the fact that the target of area under wheat was fully realised (24.04 lakh hectares during 1972-73 against 23.35 lakh hectares in 1971-72) and the area actually covered under high-yielding varieties (18.84 lakh hectares) exceeded the target 17.50 lakh hectares).

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\*Refer Section VI.

In the case of gram, the Government of Punjab planned an increase of 1.08 lakh tonnes of additional production by the adoption of package of practices over an area of 1.80 lakh hectares. Gram is an important foodgrain crop of Punjab and this target was considered practicable under conditions of availability of the required inputs. Similarly, Gujarat had accepted the target of adopting the package of practices over an area of 30,000 hectares. On this basis, the target of 10,000 tonnes of additional production was considered reasonable.

Gujarat is one of the important rabi jowar producing States. It was planned to bring an additional area of 40,000 hectares under the crop from which an additional production of 40,000 tonnes could reasonably be expected by adoption of package of practices. During 1970-71, the average yield rate of rabi jowar for the State, as a whole, has already reached the level of above 800 kgs. per hectare. Therefore, the target of 40,000 tonnes of additional production, worked out on the basis of a yield rate of 1 tone per hectare by adoption of package of practices, was considered within reach.

The minor irrigation schemes sanctioned under the EAPP to Punjab and Gujarat, as also to other States were expected to increase production through creation of additional irrigation potential. Besides, minor irrigation, the other factors expected to contribute to increase in production under the EAPP were extension of area under cultivation, increase in area under high-yielding varieties and increased use of inputs like improved seeds, fertilisers and pesticides. So far as minor irrigation is concerned, Rs. 14.72 crores and Rs. 5.00 crores had been sanctioned as medium-term loan to Punjab and Gujarat respectively, the scheme-wise details of which are as follows:

	<i>Amount sanctioned</i>
	(Rs. in lakhs )
<i>Punjab</i>	
1. Energisation of tubewells . . . . .	600.00
2. Installation of deep tubewells . . . . .	116.00
3. Installation of tube wells in the border areas. . . . .	447.00*
4. Purchase of stand-by diesel pumpsets . . . . .	309.00
	1472.00

\*Includes grant of Rs. 197 lakhs."

Gujarat

	<i>Amount Sanctioned (Rs in lakhs)</i>
1. Extension of Ukai canals . . . . .	150.00
2. Lift irrigation . . . . .	100.00
3. Tazzavi for new kutcha wells and deepening of existing wells . . . . .	250.00
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	500.00
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5.86. The Committee desired to know whether it was a fact that the Ministry of Irrigation & Power had made certain concrete proposals which would have required about Rs. 12 crores for completing certain large irrigation projects which had been turned down by the Ministry of Agriculture and that if those proposals had been approved, the projects would have brought vast tracts of cultivable land under irrigation. The Secretary, Ministry of Agriculture stated during evidence:

“That is true. The schemes involved were:

- (a) In Andhra Pradesh, the Nagarjunasagar Project Left Bank Canal costing Rs. 2 crores.
- (b) In Bihar, the Gandak Project costing Rs. 2 crores.
- (c) In U.P., the Gandak Project costing Rs. 2 crores.
- (d) In West Bengal, the Kansabti Project costing Rs. 1 crore;
- (e) In Rajasthan, the Rajasthan Canal Project costing Rs. 2 crores.
- (f) In Maharashtra the Jayakwadi Project costing Rs. 2 crores, and
- (g) In Mysore, the Malaprabha and other projects based on it costing Rs. 1 crore.”

5.87. In reply to another question on the reasons for turning down these proposals, the witness stated:

“These were large projects which would have taken time to complete and would not have yielded results within a very short time. The EAPP was intended for quickly maturing projects.”

When the Committee asked how much time these projects would have required for completion, the witness replied that he would not

able to say anything off-hand but probably these projects would have required two or three seasons.

5.88. Since the rejection of these proposals appeared to be rather unusual, the Committee desired to know the stage at which the projects were, when the proposals were made and the additional acreage that could have been brought under irrigation by incurring the expenditure. The Secretary, Ministry of Agriculture stated:

“Out of these projects, Malaprabha extension in a reduced form was accepted as something which could be completed and yield results. There were some other major and medium irrigation projects for which EAPP money was utilised. The consideration was where the bulk of the work was not completed.”

He added that every project nearing completion was taken up.

5.89. The Committee enquired into the present position of these projects to which the witness replied:

“These are all approved on-going projects and there is provision for work on them every year in the Irrigation Plan. In that particular year an attempt was made to utilise EAPP money only for those projects which could be completed by 31-3-73 or 31-5-73 and give results quickly.”

5.90. Since these proposals had been apparently initiated from responsible quarters, justified by sufficient reasons and the objectives of the EAPP were also not to spend money only in certain specified areas but to see how best agricultural production could be increased, the Committee expressed surprise that these proposals had not been given due consideration. The Secretary, Ministry of Agriculture replied:

“These proposals had come precisely from the same quarters from which the proposals for the remaining Rs. 148 crores had come, from the same people who have submitted reports, or given information, which is not being considered at all reliable by the hon'ble members of the PAC. They were scrutinised. After that technical and financial scrutiny at the centre, a conclusion was reached that money spent in these projects will not yield returns quickly and, therefore, these were not included. After all, this was not all the money available for major, medium and minor irrigation. These projects were getting money otherwise.

They all had adequate plan provision already during the year."

He added in this connection:

"The EAPP was *ab initio* intended for minor irrigation works or for supporting work for minor irrigation schemes. Major and medium irrigation schemes were outside the scope and responsibility of the Ministry of Agriculture. But when proposals were asked for from the State Governments, they suggested that some additional outlay of Rs. 50 lakhs, 1 crore or 2 crores on some major and medium irrigation schemes would also yield quick results and have the same justification as minor irrigation schemes. On the basis of this, out of the sum of Rs. 150 crores Rs. 11 crores were made available for completing the work i.e. the final stages of the work, of selected major and medium schemes. But these Rs. 11 crores did not include all the major and medium irrigation schemes about which proposals had come to the Centre. After examining the provision already existing in the plan for the different major irrigation schemes and their normal period of completion, the stage of investigation or execution in which they were, it was felt by the group of technical and financial experts who examined it in our Ministry that they should take this action. Though it was a committee of the Government of India as a whole, of course my Ministry had the pivotal role in it. Therefore, schemes worth about Rs. 150 crores, which included Rs. 11 crores of medium and minor irrigation schemes, finishing work, were cleared."

5.91. When the Committee pointed out that if the amount of Rs. 12 crores had been given to the Ministry of Irrigation & Power, the job would have been expedited and completed, the witness replied:

"Undoubtedly, it would have been so. In any case, there was the irrigation plan for that. This EAPP was not primarily intended for that."

5.92. In a note furnished subsequently to the Committee in this regard, the Ministry of Agriculture stated:

"The Ministry of Irrigation and Power had submitted in September, 1972 a note containing proposals in respect of

the following seven projects for creation of an additional irrigation potential through completion of the distribution systems in the command areas of major irrigation projects. These proposals involved an additional outlay of Rs. 12 crores and were expected to benefit an additional area of 5.35 lakh acres.

Name of the project	Additional outlay needed (Rs. in crores)	Additional benefits (acres)
Gandak Project (Bihar)	2	1,00,000
Gandak Project (U.P.)	2	1,00,000
Kangasbati	1	1,00,000
Rajasthan Canal	2	75,000
Malaprabha	1	50,000
Jayakwadi and Bhima	2	10,000
Nagarjunasagar Left Bank Canal	2	1,00,000
Total :	12	5,35,000

The Group of Joint Secretaries, constituted to review the EAPP examined these proposals in detail at its two meetings held on 25-9-72 and 5-10-72. The Group came to the conclusion on the advice of the Irrigation Expert of the Planning Commission that of these seven projects, only two relating to extension of canals in the command areas of (i) Malaprabha and (ii) Nagarjunasagar Left Bank Canal were capable of being completed in time so as to benefit the rabi and summer crops of 1972-73. The Group, accordingly, recommended these schemes for the consideration of the Ministry of Agriculture in the light of the criteria laid down for approving schemes under the EAPP and the funds already committed to various States. In the meantime, the concerned Area Officer also recommended, based on his discussion with the State authorities, sanctioning of the Nagarjunasagar Left Bank Canal. Administrative approval of the Ministry was accordingly conveyed to the concerned State Governments for these schemes."



*Some Individual Schemes.*

5.93. According to the procedure prescribed for approval of schemes under the EAPP, the Area Officers were to examine all schemes proposed by the State Governments with all relevant data including the availability of water. The Committee desired to know the considerations on the basis of which the Area Officer approved the Augmentation Canal Project in Haryana, which was a continuing Plan project and was, in any case, due for completion by 31st December 1972. The Secretary, Ministry of Agriculture stated in evidence:

"About Western Jamuna augmentation canal project, this had been taken up in November 1971. According to the project report, the work on this project was to be completed by 31-12-72. Against the estimated cost of Rs. 12.69 crores, an expenditure of 4.44 crores had been incurred till 31-3-72. However, the budget provision available in the State Plan for 1972-73 was only Rs. 3.22 crores which fell far short of the requirements of funds for completion of this project, but for funds, the State Government was otherwise fully geared up for completion of the project in time. It was on these considerations that an amount of Rs. 4.20 crores was made available under the EAPP so that the project could be completed in due time and provide irrigation for the rabi crop of 1972-73, at least during its growth stage. It was, in fact, creditable that the project was completed in time and was commissioned on 10-1-1973. The project was never intended to provide any rabi irrigation during the pre-sowing stage, but it did provide irrigation to about 18,000 hectares of rabi crop during its growth period."

5.94. When the Committee pointed out that the project was completed only on 10th January, 1973, when no watering would be necessary for the wheat crop, the witness replied:

"I am not a wheat grower of Haryana, but I know that even in the first half of April, Haryana and Punjab keep on pressing for supply of more power for irrigation of the maturing wheat crop."

**Explaining further the reasons for providing funds under the EAPP for this project, the witness stated:**

“The question asked was that this project was not completed on time. I only was submitting that the project was intended to be completed by 31st December 1972. It could not be completed, because Haryana Government did not have enough money. It was completed by the due date with the amount which was made available under the EAPP and it became operative at the time it was intended to be made operative.”

5.95. Since nothing additional was being planned under the Augmentation Canal Project, the Committee asked whether it would be correct to assume that the benefits which accrued from the project for the EAPP were not much in view of the fact that the canal did not provide irrigation at the pre-sowing stage. In a note furnished to the Committee, the Ministry of Agriculture replied:

“During the discussion of EAPP schemes for Haryana State, the State Government pressed strongly for taking up the project for completion of Western Jamuna Augmentation Canal to carry water which would be pumped into it by a battery of 1000 State tubewells of which only 600 had already been completed. This Canal was designed to bring an additional 1.3 lakh acres of land under irrigation during the rabi season and give an additional production of 1.04 lakh tonnes of wheat. Achievement reports received from the State Government show that this project was successfully implemented and the sanctioned amount of Rs. 4.28 crores was fully utilised. It will not, therefore, be correct to assume that the scheme did not yield much benefits for the rabi crops.”

5.96. Similarly, according to the Audit paragraph, it had been planned to expedite, under the EAPP, work on the canal system of the Ukai Dam in Gujarat to utilise water available in September 1972 to irrigate 6076 hectares during the 1972-73 rabi season, with the Central assistance of Rs. 150 lakhs. Even though the planned irrigation potential of 6,000 hectares had been reported to the Government of India as achieved, it had been found in Audit scrutiny that by March 1973 earthwork was completed in 45 kms. of the 48 kms. long main canal in one branch but was more or less

incomplete in the other two branch canals and all the distributaries. All other works were also incomplete. Consequently, no irrigation was possible from these canals during the 1972-73 rabi season.

5.97. The Committee, therefore desired to know how this scheme had been approved and cleared under the EAPP. The Secretary, Ministry of Agriculture stated in evidence:

"As regards Ukai project, the amount spent on the canal system was for completing the works in progress. Irrigation potential of 15,000 acres was achieved by March 1973 and 30,000 acres by June 1973 as programmed. Canals were tested in December 1972, January 1973 and June 1973 and the water so released was utilised for irrigating an area of about 500 acres in rabi. During the rabi season of 1973-74 also the main canals and the systems thereunder had been functioning. The poor utilisation was due to inadequate response from the beneficiaries despite several incentives given to them such as free water for jowar, reduction in water charges by 50 per cent for other non-perennial crops etc."

5.98. The Committee enquired into the targets and financial outlay for this project. In a written note furnished to the Committee, the Ministry of Agriculture stated:

"Water in the Ukai reservoir was available since June 1971. Utilisation of the stored water for increasing agricultural production was of paramount importance. To this end, the Government of Gujarat had taken up works for construction of canals on the Ukai River and the distribution system, but progress was limited by shortage of funds. Out of the Plan outlay of about Rs. 2612 lakhs for the Irrigation Wing of the State P.W.D. during the year 1972-73, only a sum of Rs. 63 lakhs could be allocated for the extension of Ukai Canals. This amount was not enough to create substantial irrigation. The State, therefore, took advantage of the special assistance under the EAPP to supplement the financial allocation made for the Ukai Project and a sum of Rs. 125 lakhs was made available as medium-term loan under the EAPP which was subsequently increased to Rs. 150 lakhs by reallocation amongst the schemes. With this additional assistance it was possible to speed up the extension of canals and construction of distributaries so as

to obtain some irrigation benefits during the rabi and hot weather seasons of 1971-73. Creation of irrigation potential of 15,000 acres by March 1973 was envisaged. This potential was fully realised by March 1973 and 33,000 acres by June 1973."

The Committee learnt from Audit that the programme envisaged creation of irrigation potential of 28,000 acres (not 15,000 acres as mentioned in the note) and actual irrigation of 15,000 acres for Rabi 1972-73 according to State Government's proposals for EAPP sent to the Government of India. With the assistance under EAPP, the work on the Right Bank Canal of the Ukai Project was expedited. The work was started on the main and 3 branch canals and their distributaries. The test flow was carried out by June 1973 in the main canal alone upto a length of 35 kms. and the distributaries. The water released for testing is reported to have helped to irrigate about 500 acres of land. By June 1973, even the summer season had come to a close and Kharif sowing had started with the advent of monsoon. Thus expenditure incurred on EAPP in Ukai Project did not help to increase agricultural production in the crop year 1972-73.

5.99. Again in the case of the Malaprabha Project in Karnataka, funds had been provided under the EAPP, though this was a normal Plan project and no additional work was done or area brought under irrigation. In a note furnished to the Committee on the Project, the Ministry of Agriculture stated:

"During 1972-73, Malaprabha Dam had been raised to a sufficient height to store about 4 T.M.C. of water. It was proposed to complete the dam by June 1973. Provision available for this project during 1972-73 was only Rs. 4 crores out of which the amount earmarked for construction of distribution system in the command area was only Rs. 10 lakhs against Rs. 50 lakhs required for bringing under irrigation an area of 12,500 acres by February 1973. In the interest of increasing agricultural production during the rabi/summer season 1972-73, the balance of Rs. 40 lakhs was approved for this project under the EAPP. The actual achievement upto March, 1973, has been reported as 5,713 acres of additional irrigation potential."

5.100. The Committee desired to know the reasons for approving, under the EAPP, schemes for lifting water from canals and

streams in Andhra Pradesh and for the extension of major projects like Nagarjunasagar, Tungabhadra and the Guntur canal when no water was likely to be available during the particular period. In a note furnished to the Committee, the Ministry of Agriculture stated:

*“Nagarjunasagar Project in Andhra Pradesh—*Under this Project, two schemes were approved under the EAPP of which one was for excavation of canals under the Nagarjunasagar Right Canal System to create irrigation potential of 8,000 acres. This came under flow irrigation. The reason for approving this scheme for assistance under EAPP was that the Plan provision for Nagarjunasagar Project in 1972-73 was not sufficient and with the additional provision of Rs. 16 lakhs under the EAPP, it was possible to complete the excavation of some of the canals to achieve an irrigation potential of 8,000 acres by 31-3-1973. The target envisaged under the scheme was achieved.

The other scheme was for lift irrigation under the Nagarjunasagar Left Canal System. Inasmuch as certain backward areas in Nalgonda district in the command of Nagarjunasagar Left Canals were not irrigable with flow irrigation, 17 Lift Irrigation Schemes were approved under the EAPP at a cost of Rs. 127.19 lakhs with the object of providing irrigation to an area of 29,200 acres. The schemes were intended to be executed as a joint venture of the Government and the beneficiaries formed into Lift Irrigation Cooperative Societies.

*Tungabhadra High Level Canal—*This scheme was taken up under the EAPP for creating an additional irrigation potential of 4,000 acres. The loan sanctioned for the purpose was Rs. 46 lakhs. The work was completed as programmed by 31-3-1973 and a potential of 6,000 acres was actually realised against the target of 4,000 acres.

*Guntur Channel Scheme—*Consequent on the reduction in the Plan outlays for 1972-73, the Government of Andhra Pradesh reduced the Plan provision for the Guntur Channel Scheme to Rs. 6 lakhs. But for the additional assistance of Rs. 4 lakhs provided under the EAPP with the target of creating an irrigation potential of 6,000 acres, this scheme could not have been executed.”

In this connection, the Committee were informed by Audit as follows:

- (i) *Nagarjunasagar Right Canal System.*—Though it was reported to the Government of India that under Nagarjunasagar Project Right Canal a potential of 8,000 acres was created by 31st March 1973 by spending the entire allotment of Rs. 16 lakhs, it was later admitted by the State Government that the report was based on certain discussions held by the Secretary to the Government of Andhra Pradesh P.W. Department, with the Joint Commissioner (C.C.), Government of India and only Rs. 6.39 lakhs were spent under the programme till May, 1973 and an additional potential of 7,000 acres was created till December, 1972 and another 467 acres till May, 1973. Actually this irrigation potential existed before the EAPP was initiated.
- (ii) *Nagarjunasagar Left Canal System.*—As the schemes were proposed as joint ventures between co-operative societies and State Government, their successful implementation depended on finance being made available to Cooperative Societies to meet their share of the cost. According to information made available to Accountant General, Andhra Pradesh, this constraining factor was not taken into account before launching this joint venture. Against Rs. 207.80 lakhs required by the Societies, they could get only Rs. 8.67 lakhs by 15th September 1974. This slow progress in obtaining loans was attributed to (i) restrictions on alienation of land and of registration of such transfer (ii) lack of clear-cut titles to the land. The State Government decided in September 1973 to treat the expenditure of Rs. 74.67 lakhs incurred upto August 1973 on the schemes as share capital grants to the Co-operative Societies to enable the latter to raise loans from banks. Such a transaction was not contemplated in the conditions of the grant of loans by Government of India for the special programme. Till July, 1973 the value of work done on these schemes ranged from 14 to 38 per cent of the estimated outlay. In respect of three lift irrigation schemes, even site survey and the investigation was yet to be taken up (August 1973). As against the ayacut of 12145 hectares planned for all the 17 schemes by 31st March 1973, the State Government had pro-

posed to release water to develop the potential of 2423 hectares by March 1974.

(iii) *Tungbhadra High Level Canal*.—According to the Superintending Engineer a potential of 4,000 acres was created by the 31st March, 1973 under EAPP that too on the expectation that masonry works would be completed by that time. But due to power cut in the State and consequent short supply of cement the masonry works could not be completed. The actual achievement was only 3,071 acres but not for the Rabi 1972-73 season. The full amount of Rs. 46 lakhs was, however, spent.

(iv) *Guntur Channel Scheme*.—The Additional amount released by the Central Government for Guntur Channel was only Rs. 2.50 lakhs and not Rs. 4 lakhs. According to the State Government, a potential of 6,000 acres was reported to have been created by 31st March, 1973 and 10,000 acres by August, 1973. It was, however, found in check in local records that no potential was created by 31st May and by 31st August, 1973 a potential of 10,000 acres had been created."

The Secretary, Ministry of Agriculture stated in this connection during evidence:

"Some of these works suffered for lack of water because of the continued drought which was not envisaged at the time they were sanctioned and taken up and absence of the winter rains...If there were rains at the end of September or middle of October and there were no pumps to pump the water we would have been blamed the other way."

The Committee asked whether it was a fact that in Andhra Pradesh drawal of water from the canals was prohibited under law during certain periods in a year and, if so, whether the Government was aware of these restrictions before sanctioning the schemes for lifting water from canals and streams in Andhra Pradesh. In a note furnished to the Committee, the Ministry of Agriculture stated:

"In the rules framed under the Andhra Pradesh (Andhra Area) Irrigation Cess Act, 1895 (Act VII of 1865) and under the Andhra Pradesh (Telengana Area) Irrigation Act, 1957. F (Act XXIV of 1957 F), regarding supply of

water from Government sources of irrigation by pumping sets, there are no restrictions prohibiting drawal of water during certain periods in a year. There is a condition in the rules which reads as follows:

'The water from pumping installations shall be supplied from a date not later than 31st July and to a date not earlier than 15th November'.

This only indicates that water should necessarily be supplied during the 3½ months between 31st July to 15th November.

There are no restrictions under law in regard to drawal of water from the canals under flow irrigation, provided the lands are localised."

The Committee understood from Audit that water supplied from Government sources of irrigation by pumping sets was available only for persons who had registered their applications by a particular date with the Tahsildar for supply of water by pumpsets for irrigation on dry lands. Hence sanction of lift irrigation schemes to bring more areas under irrigation where the inflow of water itself was little and the Government stood committed to supply water available to the ayacut holders already registered was unrealistic.

5.101. According to the Audit Report. (refer para 5.63) even though field channels were constructed in eight districts of Maharashtra, under the EAPP, for a command area of 1.34 lakh hectares, only 0.19 lakh hectares were actually irrigation mainly because of shortage of water. The Committee desired to know how this scheme had been approved, especially when the water shortage in 1972-73 was well-known. The Secretary, Ministry of Agriculture stated:

"Maharashtra had a drought for three years in succession and the whole hydrology of the State was most abnormal. The work was done in the hope that the season would normalise sometime or the other in the season and we would be able to take advantage of the water available. The season did not become normal."

When the Committee asked how the expenditure could be justified under the circumstances, the witness replied:

"All the work done physically on the ground is there. If it



did not result in increased production in that year, that is a separate matter to be separately gone into."

5.102. The Committee asked whether the Government of Maharashtra had reported at any time that the EAPP schemes sanctioned for Maharashtra were unlikely to yield any results for the EAPP due to the known failure of rains in the State, and if so, whether the recovery of the funds allotted to the State had been considered and the decision arrived at. In a note, the Ministry of Agriculture replied:

"According to the available reports, the Maharashtra Government did not report at any time to the Ministry of Agriculture that the EAPP schemes sanctioned for that State were unlikely to yield any results due to the known failures of rains. On the other hand, the State which accounts for the largest share (Rs. 24.96 crores) of the total financial allocation made to States under the EAPP, had submitted ambitious programmes involving enormous outlays which had to be pruned substantially to bring them within manageable limits. So far as the question of recovery is concerned, this has to be done by the State Accountant General in the light of the actual expenditure incurred."

5.103. The Audit Report also points out that twenty-five lift irrigation schemes, estimated to cost Rs. 427.35 lakhs were taken up in Sangli district of Maharashtra for providing irrigation to the lands of the shareholders of a cooperative sugar factory to grow 'perennial crops'. The Committee desired to know the reasons for the State Government utilising the funds provided under the EAPP for the production of foodgrains for sugarcane. The Secretary, Ministry of Agriculture stated:

"About the Maharashtra Government's giving money for the cooperatives and irrigation schemes in Sangli district, we have not yet received the replies from the State Government. We have asked a specific question on this; we have been sending reminders."

The Committee asked when the Government of Maharashtra was addressed in this regard. The witness replied:

"I could not give you the exact date. But, nearly in April 1974 all these letters were sent on different dates. I did

not want to send the same circular letter to all the State Governments; so specific letters were sent to each State concerned."

5.104. Subsequently, in a note furnished to the Committee in this regard, the Ministry of Agriculture stated as follows:

"Sangli district in Maharashtra State being a scarcity area, 25 Lift Irrigation Schemes prepared by the Cooperative Sugar Factories in the district were taken up under the Emergency Agricultural Production Programme and a loan assistance of Rs. 87.61 lakhs made available for the purpose by the Government of India. Money was not made available to the sugar factories; these works were executed by the Government of Maharashtra and later handed over to the Irrigation Development Corporation of Maharashtra Ltd. for completion and management. No aid to any sugar factory is contemplated in undertaken these schemes. Regular water charges would be recovered from the beneficiaries of these schemes on the lines on which such charges are normally recovered from other State owned Lift Irrigation Schemes in the State. It may be added that Sangli district is a scarcity area and taking up of Lift Irrigation Schemes was in keeping with the Government policy of providing irrigation facilities in the scarcity areas.

With regard to the cropping pattern, it may be stated that a small percentage of sugarcane is generally allowed by the Government in the areas commanded by the Lift Irrigation Schemes in Maharashtra State to make them attractive to the farmers and also to make the schemes economically viable. Since water from Koyna storage will be available for these schemes, 10 per cent of the area under sugarcane is included in the sanctioned cropping pattern. Thus, 90 per cent of the area was covered under food crops. The production of sugarcane (in terms of gur) in Maharashtra went up from 12.98 lakhs tonnes in 1971-72 to 13.11 lakh tonnes in 1972-73.

The Government of Maharashtra, in their reply, have informed that the above information was shown by them to the State Accountant General whose remarks are as under:

Remarks of this office have already been indicated in paragraph 9(II) at page 21 of the Supplementary Report of

the Auditor General of India for the year 1972-73—  
Union Government (Civil)'."

5.105. The Committee found from the Audit Report that in Bihar only 2413 tubewells were energised out of the EAPP target of 19,000. The Committee enquired into the reasons for this shortfall and the Secretary, Ministry of Agriculture replied:

"We have not received any reply from Bihar in spite of reminders."

5.106. Again, according to the Audit Report, an expenditure of Rs. 252.57 lakhs was transfer-debited, in Uttar Pradesh, from normal works to 220 EAPP tubewells including Rs. 45.30 lakhs spent on works before the EAPP was launched. Further Rs. 81 lakhs were debited for the purchase of construction equipment comprising of 6 drilling rigs, 6 air compressors, 6 tractors, 12 trucks, 2 jeeps and 6 welding sets and no details were available with the Chief Engineer, Tubewells, regarding the purchase, utilisation or deployment of this equipment. When the Committee desired to know the reasons for these irregularities, the representative of the Ministry of Agriculture stated in evidence:

"The reply of the UP Government has been received. As Area Officer, I had checked up and I found that on all the items under normal programme as well as under EAPP—which was additional—we were assured about that and only on that condition releases were recommended. The reply of the UP Government in respect of this item is that construction of State tubewells was an item under both the EAPP and their normal State Plan programmes. They have a normal programme and in addition to that schemes under EAPP were sanctioned. For this work also, separate estimates were not sanctioned by the State Government. Construction of State tubewells as part of EAPP was thus executed under the existing projects. Therefore, identification well-wise was not maintained separately. The targets for construction of State tubewells both under the EAPP and the normal programme were achieved. They were 850 under the normal programme and 130 against EAPP and their achievement was 982 against 980. 982 were actually dug during 1972-73. That is, the normal programme as well as the EAPP programme was achieved.

About the matter concerning the purchase of jeeps, trucks, these were not brought to our notice. Sanction was given only for tube-wells."

5.107. The Committee asked whether the kutchha gulls were of any real use and the witness replied:

"They were of great use. My predecessor, who was the area officer, himself visited the tubewells and he gave a note saying they were effective."

When the Committee asked how many wells the Area Officer had visited, the witness replied that three wells out of 230 had been visited. He added:

"There were a number of tube-wells and he could visit three. But the point is that, after spending about a lakh and a half, the tubewells were not providing irrigation because the decision had been taken that the kutchha gulls that were constructed earlier would not be constructed and this item was taken up as an emergency programme so that the tubewells can provide irrigation. The potential was there, but the utilisation was poor."

The Committee desired to know how many of these were working and whether it was a fact that most of them were not working because of power shortage. The witness replied:

"Yes, that is true; the shortage of electric power has reduced the working hours of the tubewells... The State Government are seized of the position and they are trying their best to step up generation."

5.108. The Committee desired to know whether all the tubewells constructed under the EAPP as well as the normal schemes were successful, especially since adequate water for the purpose was lacking in the command area. The witness stated:

"The usual criterion is about 33,000 gallons per hour and they have discharged 20,000 gallons per hour. This can be taken as successful; it is a question of views."

5.109. The audit Report points out that in Uttar Pradesh, the normal Plan target for energisation of tubewells was 50,000 (10,000 under the State Plan and 40,000 under the Electricity Board's commercial scheme) and the EAPP target 25,000. In November 1972,

the target under the commercial scheme was reduced from 40,000 to 15,000 and even the EAPP target was reduced in March 1973 to 19,200. The Committee called for the comments of the Ministry on these observations of Audit. The representative of the Ministry of Agriculture replied:

“When a survey was being made the State Government said that under the normal programme they will not be able to do more than 25,000.”

When the Committee desired to know the basis of the targets, the witness stated:

“10,000 from the plan funds and 15,000 on commercial basis. In the commercial basis a sizeable amount has to be invested by the farmers themselves. Under the budgetary programme Rs. 5,000 has to be financed by the Electricity Board but under the commercial scheme a substantial part of this was to be found by the farmers themselves. In any earlier year the progress under the normal commercial scheme did not exceed 15,000. This 40,000 was an attempted target and both the State Government and the State Electricity Board knew that it could not exceed 28,000. Under the commercial scheme in no year had it exceeded 15,000; it is hardly 12,000 or 10,000. The area officer forced them to make a target of at least 15,000.”

5.110. The Committee asked whether the targets had been fixed without any intention of fulfilling them. The witness replied:

“The figure of 40,000 was unrealistic on any ground. We have not done more than 12,000 in any year. In a drought year it was considered a big number. So, the State Electricity Board and the State Government wanted to reduce this commercial target to even less than 15,000.”

He added:

“I would like to explain a little more. The State Government actually wanted the target of commercial basis to be reduced even below 15,000. But it is the area officer who insisted that any money under the EAPP will be for those over and above 25,000. This is on record. Later, in the month of January the State Government said that the commercial target of 15,000 will not be achieved and, therefore, the normal target may be reduced below 25,000.”

5.111. In the Audit Report, many instances have been mentioned of violations and deviations from the guidelines laid down by the Government of India for the financing of EAPP schemes. The Committee asked if the Government of India had investigated them to ascertain whether they were true. The Secretary, Ministry of Agriculture replied:

"We are engaged in this investigation. We have not yet completed them."

The Committee enquired when the investigations were expected to be over. The witness replied:

"I cannot say when it will be over. We started this investigation as soon as we got extracts from the Audit Report."

He added:

"We got one set of replies in October. That confirmed what the State Governments had been claiming earlier."

#### *Purchases*

5.112. The Committee asked whether it had not occurred to the Ministry of Agriculture at any time, during the implementation of the EAPP, that the large demand for electric motors, diesel engines, pumpsets, pipes, drilling rigs, pontoons, etc., besides for other scarce materials like steel and cement was likely to lead to irregularities in purchases and whether any of the Area Officers had noticed or brought to light any such irregularities. The Secretary, Ministry of Agriculture stated in evidence:

"In a large programme, there are large purchases and there are internal checks and balances. One does not normally shrink from a programme just because it will involve large purchases. Our Area Officers did not at any stage bring it to our notice nor did it occur to us that this project should not be undertaken because it might lead to corruption which is a normal risk in all work and all purchases."

In a note furnished in this regard, the Ministry of Agriculture stated:

"At the planning stage of the EAPP and the special circumstances under which such an emergency measure had to

be undertaken to increase agricultural production, there was no reason to believe that the State Governments would not follow the regular procedures for making purchases of the various equipments and materials required for different schemes. No irregularity of any kind came to the notice of Area Officers."

5.113. In reply to another question whether the Ministry of Agriculture had called for reports from the States of such irregularities which have led to unjustifiably large amounts being debited to the EAPP and, where such reports had been received, whether the Ministry had initiated action to recover the money from the State Governments, the Ministry replied in a note:

"The Ministry of Agriculture have not so far received any report from the State Governments regarding irregularities in purchases."

5.114. The Committee asked whether the Ministry was aware that equipment purchased for the EAPP could not either be used in the Programme or had been delivered too late and that the cost of certain items (e.g., cars, jeeps, etc.) not intended to be debited against the EAPP had, in fact, been so debited and, if so, what steps had been taken to recover these amounts. In a note, the Ministry of Agriculture replied:

"The Ministry of Agriculture have not received any information from the State Governments of any equipment purchased for the EAPP which could not be used in the programme or was delivered too late or was not intended to be debited against the programme."

5.115. However, during evidence tendered before the Committee in this regard, the Secretary, Ministry of Agriculture stated:

"We were partially aware of it earlier and we have become more fully aware of it after receiving the Audit Reports. We have taken up all these points with the State Government."

Explaining the steps taken to recover the amounts, the witness stated:

"After we get the complete information as to what is the amount which they wrongly drew under this scheme, we will take a decision. We will sit down with the Finance

Ministry and the Planning Commission and come to a decision how this overdrawal by the State is to be recovered. We do not have any security which we can forfeit. We can only recover the amount in the form of adjustment against future releases of money."

5.116. When the Committee asked whether the Ministry had come across such irregularities in any State, the witness replied:

"They have not admitted it on their own, but we have material in our possession which leads to the conclusion that some such thing has taken place. We are pursuing this matter to tie up all the loose ends and arrive at a conclusion so that we can take up the matter on a firm basis with the State Governments and also advise the Central Government about further action to be taken.



## SECTION VI ACHIEVEMENTS

### *Results of the Programme*

#### **Audit Paragraph**

6.1. It seems clear that neither the minor irrigation programmes nor the additional loans for fertilizers, seeds and pesticides could have had in fact much effect on either the rabi or summer harvests. Foodgrains produced from these harvests in 1972-73, according to the Ministry of Agriculture, as compared to the previous year's rabi and summer harvests and the increases planned were:—

*Foodgrains produced in lakhs of tonnes—Rabi and Summer*

Crop	1971-72	Additional production planned under EAPP	Total planned for 1972-73 (2 plus 3)	Actual production in 1972-73
1	2	3	4	5
Wheat . . . . .	264.10	84.00	348.10	249.23
Gram . . . . .	50.81	20.00	70.81	44.69
Rice . . . . .	30.76	35.00	65.76	26.87
Rabi Jowar . . . . .	23.61	11.00	34.61	14.76
Other grains not included in EAPP . . . . .	52.53		52.53	44.17
	421.81	150.00	571.81	379.72

6.2. Against 421.81 lakh tonnes of rabi and summer foodgrains produced in 1971-72 plus 150 lakh tonnes originally planned under EAPP, only 379.72 lakh tonnes were produced. Thus, production was 42.09 lakh tonnes less, and not 150 lakh tonnes (as originally planned) or 62.4 lakh tonnes (final plan) more than in 1971-72. Together with 572.3 lakh tonnes from the kharif harvest, a total of 952 lakh tonnes was produced in the agricultural year 1972-73 com-

pared to 1061.7 lakh tonnes in the previous year. Shortfall in the rabi and summer harvests for which EAPP was designed was proportionately somewhat greater than the shortfall in the kharif harvest which led to the EAPP.

6.3. Analysis of the areas sown and foodgrains produced under different crops in the States and Union Territories where EAPP was implemented is tabulated below:

6.4. (a) Wheat:

State	EAPP target of increase (over 1971-72)		Actual increase/decrease in 1972-73 (over 1971- 72)	
	Area (Thousand hectares)	Production (Thousand tonnes)	Area (thousand hectares) Increase (+) Decrease(-)	Production (thousand tonnes) Increase(+) Decrease(-)
Andhra Pradesh . . . . .	78.9	80	(-) 4.5	(-) 4.5
Assam . . . . .	108.0	70	(+) 72.0	(+) 112.4
Bihar . . . . .	1002.6	1650	(+) 1111.7	(+) 642.7
Gujarat . . . . .	125.5	220	(-) 203.2	(-) 349.8
Haryana . . . . .	223.0	550	(+) 54.0	(-) 242.0
Himachal Pradesh . . . . .	17.1	150	(-) 18.3	(-) 29.5
Jammu & Kashmir . . . . .	20.3	100	Not available	Not available
Madhya Pradesh . . . . .	94.7	1000	(-) 136.3	(-) 742.2
Maharashtra . . . . .	370.7	660	(-) 318.7	(-) 254.3
Karnataka . . . . .	3.5	70	(-) 47.9	(-) 78.0
Orissa . . . . .	45.1	70	(+) 22.3	(+) 45.5
Punjab . . . . .	64.6	800	(+) 65.6	(-) 257.0
Rajasthan . . . . .	86.3	650	(-) 117.8	(-) 139.4
Tamil Nadu . . . . .	..	2	(+) 0.4	(+) 0.1
Uttar Pradesh . . . . .	454.1	2000	(+) 316.1	(+) 83.2
West Bengal . . . . .	202.6	320	(-) 52.5	(-) 268.5
Delhi . . . . .	(-) 1.7	8	(-) 0.6	(-) 6.0
	2895.3	8400	(+) 742.3	(-) 1487.3

Additional wheat reported to have been produced in Assam was more than targetted. In Bihar, too, production appears to have been greater, about 38 per cent of what was planned though area sown increased as planned; there was a substantial fall in the yield per hectare. In Punjab and Haryana, acreage sown increased but production fell. It may be mentioned that Punjab Government had planned for increase of wheat production by 2 lakh tonnes, whereas the Central Government had planned an increase of 8 lakh tonnes and made finance available to that State accordingly. In Uttar Pradesh acreage increased substantially but production did not increase significantly. In all the other important wheat-producing States both area sown and production decreased.

#### 6.5. (b) Rice—rabi and summer crop:

State	EAPP target of increase (over 1971-72)		Actual increase/decrease in 1972-73 (over 1971-72)	
	Area (thousand hectares)	Production (thousand tonnes)	Area (thousand hectares) Increase(+) Decrease(-)	Production (thousand tonnes) Increase(+) Decrease(-)
Assam . . . . .	28.8	200	(+)13.9	(+)26.3
Andhra Pradesh . . . . .	279.9	1200	(-)99.1	(-)288.0
Bihar . . . . .	63.0	490	(-)83.5	(-)63.9
Kerala . . . . .	22.1	100	(+)0.5	(-)3.8
Karnataka . . . . .	55.2	320	(+)4.5	(+)57.6
Orissa . . . . .	98.0	300	Not available	Not available
Tamil Nadu . . . . .	(-)10.0	100	(+)20.0	(+)45.0
Uttar Pradesh . . . . .	194.8	100	(+)0.5	(+)0.2
West Bengal . . . . .	140.8	690	(-)39.8	(-)173.2
	872.6	3500	(-)182.9	(-)399.8

It was originally contemplated that area cultivated under summer rice would go up from approximately 20 lakh hectares to 30 lakh hectares and additional 35 lakh tonnes would be produced in nine States. In no State was the EAPP target of increased production achieved. Increases in area cultivated were also small compared to the targets, except in Tamil Nadu.

## 6.6. (c) Gram:

State	EAPP target of increase (over 1971-72)		Actual increase/decrease in 1972-73 (over 1972-73)	
	Area (thousand hectares)	Production (thousand tonnes)	Area (thousand hectares) Increase(+) Decrease(-)	Production (thousand tonnes) Increase(+) Decrease(-)
Andhra Pradesh	50	80	(+)54	(-)6.0
Bihar	120	180	(+)20.3	(-)36.7
Gujarat	Not available	10	(-)23.5	(-)12.8
Haryana	160	370	(-)190.0	(-)125.0
Madhya Pradesh	100	210	(+)4.2	(-)24.2
Maharashtra	220	118	(-)191.0	(-)91.9
Karnataka	50	50	(-)20.2	(-)42.1
Orissa	200	160	(-)0.3	(-)0.1
Punjab	Not available	108	(-)14.4	(-)14.0
Rajasthan	100	295	(-)437.9	(-)81.9
Tamil Nadu	200*	160	(+)0.3	(+)0.1
Uttar Pradesh	Not available	185	(-)105.8	(-)150.8
West Bengal	20*	64	(-)18.3	(-)23.5
Kerala	50	10	Not available	Not available
	1250.00	2000	(-)971.2	(-)608.9

\*Includes moong, urad etc.

Increase of the area under gram by 12.5 lakh hectares in fourteen States was targetted and half of the total area under this crop was to be brought under the "package of practices" of the Indian Council of Agricultural Research to yield 20 lakh tonnes of additional gram and other places. (It is to be mentioned that the Gujarat and Punjab Governments had made no plans to increase gram production). Actually, however, production declined in those fourteen States by 6.09 lakh tonnes in 1972-73 as compared with 1971-72 while the area also decreased by 9.71 lakhs hectares during the year. Complete information is not available of the areas brought under the "package of practices" which was to cover 33.40 lakh hectares. But the decrease in production in every State and the almost equally

universal decrease in area sown would indicate that the special measures to foster gram production was also not successful.

6.7. (d) Rabi jowar:

State	EAPP target of increase (over 1971-72)		Actual achievements over 1971-72	
	Area (thousand hectares)	Production (thousand tonnes)	Area (thousand hectares) Increase (+) Decrease(-)	Production (thousand tonnes) Increase(+) Decrease(-)
Andhra Pradesh . . .	80	80	(-)29.6	(+)64.4
Gujarat . . .	40	40	(-)20.1	(-)37.0
Maharashtra . . .	200	215	(-)1297.8	(-)461.6
Karnataka . . .	680	680	(-)464.7	(-)438.6
Tamil Nadu . . .	80	80	(-)22.5	(-)3.4
Orissa . . .	5	5	..	..
	1085	1100	(-)1834.7	(-)876.2

The greater part of the increases in area and production of rabi jowar was expected from Karnataka and Maharashtra which, as mentioned earlier, were known to be suffering from prolonged drought. Fall in acreage and production were, therefore, not unexpected. Only in Andhra Pradesh production is reported to have increased by 64,400 tonnes even though the area sown had decreased. In Gujarat, no plan was made for jowar as, according to the State Government, the sowing season of jowar had ended.

[Paragraph 12 of the Supplementary Report of the Comptroller and Auditor General of India for the year 1972-73, Union Government (Civil)].

*Progress of Schemes under EAPP*

6.8. According to the Audit Report, the actual position in implementation of the EAPP in the States was very different from what had been periodically reported by the State Governments. Since the Report highlighted a number of schemes under the EAPP not having been completed, the Committee desired to know whether, after the receipt of the Audit Report, the Central Government had

taken up these cases with the State Governments concerned. The Secretary, Ministry of Agriculture stated in evidence:

"Even before we started getting extracts from this Audit Report, we had taken up with some of the State Governments which made, according to our analysis, wrong statements about areas, about production, about productivity etc. Taking the State Governments to task... is something beyond the capacity of civil servants. But, our Minister, in my presence, took the Ministers and in some cases, the Chief Ministers, to task orally for this kind of thing. When we started getting these extracts, we sent out letters to all the State Governments in April last. Since then, we have been pursuing the matter, between the Chief Secretaries of the States and myself, through DO letters and reminders, through personal visits and trying to get their answers. Only yesterday, I have sent another letter to get information in a detailed proforma which would enable us to quantify the extent to which they have drawn money from us under the EAPP, which they were not entitled to draw. We will pursue that and then bring that up before the Minister here for a decision as to how these excesses withdrawn by the State Governments should be adjusted in subsequent releases to be made to them."

6.9. The Committee desired to know the details of the States in which a large number of lapses had been found to which letters and reminders had been sent. The Secretary, Ministry of Agriculture stated:

"We have found these lapses to a greater or lesser extent in all States, probably with two or three exceptions."

He added in this connection:

"The position is that some lapse, minor or major, has been found by Audit in all the States except probably Assam— I am using the adverb 'probably' because I am not sure about it. The letter which I have sent yesterday (30-10-1974) to all these people refers to that. I would only say that the irregularities in some States are of a technical nature; in other States they amount to making incorrect statements or doing an exceedingly wrong."

6.10. When the Committee asked whether the witness could furnish the names of the States which had given incorrect statements, he replied:

"We have been handicapped by the fact that the States for several months, in spite of reminders at all levels, did not send in replies to us. Then some of them have sent replies that they have already given their answers to Audit and the respective AGs of States will take appropriate action. But we are not satisfied with that. We at least want to know the truth, the whole truth about what actually happened. After that, it may be necessary to take some further action about which we shall obtain orders of the Government of India."

6.11. When it had been known to the Central Government, after the second reappraisal of the EAPP, that the realisation of the food production targets were doubtful, the Committee asked no attempts had been made to prune the financial outlays on the programme. The Secretary, Ministry of Agriculture deposed during evidence:

"The outlays were not linked to food production; the outlays were for so many dug wells, so many tube wells, so many miles of irrigation channels, and so on."

When the Committee pointed out in this connection that the basic objective of the Programme was increased production and, therefore, the outlays should have had some relation to food production, the witness replied:

"The Ministry had these doubts very soon after this programme was launched. This is shown by the fact that the anticipated increase in production was scaled down from 15 million tonnes to 10 million tonnes and then to only 6."

He added:

"But we could not leave the wells and tubewells half way. If not that year, they would become useful next year.... The condition was that the money was released for works which would be completed by 31-3-1973 and in exceptional circumstances it could be given for works which would be completed by 31-5-1973, but Government of India would reimburse that part of the cost which was incurred upto

31-3-1973. All these works having been started all over the country, it was just not possible to stop them. All that we could do was to scrutinise and identify the works which were going on well or smoothly or which could be dropped without any disadvantage, or the works where the final commitments had not been made, so that the money could be utilised for other works which were proceeding more rapidly and could yield some results, if not within the *rabi* season of 1972-73, in the summer season or in the next *kharif* season."

6.12. The Committee asked whether it could, therefore, be concluded that the Central Government had departed from the prime objectives of the EAPP and had financed projects which were not directly contributory to an immediate growth in production of food-grains within a stipulated period. The Secretary, Ministry of Agriculture replied:

"EAPP money was not different from the Plan money made available for minor irrigation schemes including the energisation of tubewells and pumpsets.... The amount available under the normal programme in 1972-73 was not different from the amount available in earlier years, while the need was greater."

Under the circumstances, the Committee desired to know the necessity for another project under the Emergency Programme, when the Central Government could have augmented the financial outlay on the plan projects. The witness stated:

"That is what exactly was done. EAPP ensured the completion and acceleration of the Plan projects. It was one of the conditions that they would be entitled to draw money under the EAPP only for work done in addition to what would be done under the normal Plan programmes."

6.13. On the question of pruning of financial outlays on the EAPP, the Ministry of Agriculture also informed the Committee, in a note, as follows:

"There was no pruning of the outlays on EAPP schemes. The Group of Joint Secretaries, which was responsible for regular monitoring of the EAPP, kept the progress of expenditure on various schemes in each State under constant review and the State Governments were being



allowed to divert funds from the scheme|schemes where progress was faster in order to achieve maximum results from the investments under the programme."

"The target of additional production envisaged under the EAAP had to be revised downwards from time to time mainly on account of the constraints of fertiliser and power. So far as the financial outlays are concerned, they were related to schemes for creation of additional irrigation potential as well as for supply of inputs like seeds, fertilisers and pesticides. Besides these factors, viz., additional irrigation and use of improved seeds, fertilisers and pesticides which were expected to contribute to increase production, a large part of the increase in foodgrains production, planned under the EAPP was to accrue from substantial increases in area under various crops and extension of the area under high-yielding varieties.

So far as the minor irrigation schemes taken up under the EAPP are concerned, most of these were already on the ground before the first appraisal of the production targets leading to its downward revision was undertaken. The State Governments had already made firm financial commitments and any cutting down of the financial outlays could have produced serious adverse effects on implementation and consequently on production. So far as the short-term loans are concerned, it may be mentioned that this is only a reimbursement finance. Release of the short term loans were made in instalments against fertiliser, pesticides and seed requirements and availability, as reported by the State Governments and confirmed by the Area Officers."

6.14. The Committee desired to know whether the Ministry of Agriculture had reviewed the schemes under EAPP, for each State, in respect of which no contractual commitments had been made with a view to dropping them and, if so, which schemes had been thus dropped from the EAPP. In a note furnished to the Committee, the Ministry of Agriculture stated:

"As a result of the periodical reviews of progress, the following schemes were dropped and the funds thus saved were

diverted to other more promising schemes:

Stat:	Schemes dropped	Amount
		(Rs. in lakhs)
1. Bihar	(i) Kutchha bunds	4.50
	(ii) Improvement and renovation of surface flow irrigation works	15.00
2. Gujarat	Purchase of rigs and construction of tubewells	150.00
3. Orissa	Field channels	5.00
4. Maharashtra	Purchase of Air Hammer rigs for drilling irrigation bore wells.	78.00
5. U.P.	(i) Expediting partial benefits from lift canals	12.50
	(ii) Increasing capacity of existing lift canals	15.00

The reappraisal of the food production targets, set under the EAPP, was done in consultation with the Area Officers."

6.15. One of the conditions stipulated by the Finance Secretary, in his d.o. letter dated the 26th August, 1972 (referred to in paragraph 2.73) was that the last instalment of 25 per cent of the loans to the States would be released subject to a review of the progress of the normal Plan expenditure and the progress of the emergency programme. The Committee had also been informed by Audit that in a note furnished by the Ministry to Audit, it had been stated that most Area Officers had not been in a position to make visits to the respective States on account of preoccupation and other prior engagements. The Committee asked whether the Central Government were satisfied that it did all that was necessary or incumbent on it to ensure that the stipulation about the release of the last instalment was observed scrupulously and, if so, the means adopted therefor. The Secretary, Ministry of Agriculture replied during evidence:

"I can only submit that the Ministry did all that was possible. I would personally have preferred a more thorough check but since a more thorough check was not possible in March we had to depend on the reports of those area officers who had been able to visit the States before the release of the last instalment. For the rest we sent for the concerned officers of the different States and sat

with them for 3-4 hours with each State officials and cross-examined them and looked into whatever records they had brought.

He added:

"The State Government officers came to us with their complete records and during the day we sat with them and during the good part of the nights we were examining their records and also cross-examining them orally and then we released the remaining amounts. It was not practical to get all the States visited by the Area Officers though we had asked all of them to visit all these States. But when sometime in March we found that that was not the position, we adopted the other procedure."

6.16. Explaining the reasons for the inability of the Area Officers to visit the States under their supervision, the witness stated:

"The Area Officers did visit the States. They not only spent time at the State capital but they went to the districts, to the Block Officers and to the villages, but they could not cover all the villages..... In March 1973, the budget session of Parliament was on and as one of the hon. Members of the PAC stated at that time, these officers were not full time workers. They had other responsibilities."

6.17. In respect of the States which had not been visited by the Area Officers, the Committee desired to know how it was ensured, in the absence of the reports of the Area Officers that the records brought by the State Governments, on the basis of which the last instalment had been released, were realistic and based on facts. In a note furnished to the Committee, the Ministry of Agriculture stated:

"In the meetings held in Delhi, the representatives of the State Governments were interrogated closely by the Area Officers and other concerned officers in the Ministry on the progress, both financial and physical, of each scheme. The veracity of the statements and reports of the State Governments was checked by the Area Officers on the basis of their experience, tour notes and the periodical progress reports."

6.18. With reference to the Review Committee of Joint Secretaries which had been appointed to review the implementation of

the Programme, the Committee asked whether the Area Officers had, at any stage, reported to the Committee about the progress of works under the EAPP and the lapses in implementation. The Secretary, Ministry of Agriculture stated:

“That is the purpose for which the Joint Secretaries Review Committee was set up to point out whether things were going all right or not. Whenever they made any such observations, a corrective action was taken if it was possible to take in time.”

6.19. The Committee were informed by Audit that at its meeting on 13th February 1973, the Review Committee of Joint Secretaries had felt that the Ministry of Agriculture were making releases of funds to the States 'on a rather liberal basis' and, in some cases, the additional funds released were not justified by the physical progress of work. In the light of these observations, the Committee desired to know the reasons for the continued release of funds. In a note, the Ministry of Agriculture stated:

“The Ministry did not subscribe to the view held by the Group of Joint Secretaries that funds were being released to the States on a rather liberal basis. Before releasing every instalment of funds, the scheme-wise progress was scrutinised in the light of the periodical progress reports and reports of the Area Officers and funds released only to the extent justified by physical progress. The final releases were made in the month of March 1973 to enable the State Governments to complete as many of the schemes as possible by the end of the financial year.”

6.20. The Committee asked whether this had been brought to the notice of the Finance Ministry so as to ensure a stricter control over the release of funds. In a note the Ministry of Agriculture replied:

“The observations of the Review Committee in February 1973 regarding rather liberal release of funds by the administrative Ministry were intended to serve as guidelines for that Ministry. There are no records to indicate that any separate report was submitted on this point.”

6.21. Since it had been stated that the amounts released to the State Governments were based on actual achievements and expenditure, the Committee desired to be furnished with a detailed statement indicating, State-wise, the increase or decrease made in the

allocations for different schemes in various States and the information which was available justifying these changes. In a note furnished to the Committee, the Ministry of Agriculture stated:

"In the case of certain States, the original financial allocations for some of the minor irrigation schemes had to be revised in the course of implementation on the recommendations of the concerned Area Officers and State Governments. Progress made on each scheme was the basis for such revision of financial outlays. The idea was to divert funds from the schemes on which progress was slow to those which were registering faster progress with a view to achieving optimum returns from a given investment."

A statement furnished by the Ministry showing the State-wise original allocations, revised allocations and increases/decreases is reproduced in Appendix 'J'.

6.22. The Committee requested the Ministry of Agriculture to furnish a list State-wise, of the additional schemes proposed by State Governments, after September 1972, for execution under the EAPP over and above those already sanctioned earlier by the Central Government, indicating, *inter alia*, the date(s) of receipt of proposals from the State Governments, the justification furnished for the additional schemes, the date(s) of approval of the schemes by the Central Government, the specific reasons for approving the schemes and the financial outlay thereon. Two statements furnished to the Committee, by the Ministry of Agriculture, containing the requisite information in this regard are reproduced in Appendices 'K' and 'L'.

6.23. The terms of the sanctions issued for schemes under the EAPP specifically forbade the more transfer of moneys or deposits with other State Government organisations like Electricity Boards, State Apex Cooperative institutions, Agricultural Marketing federations, etc. The Audit Report, however, points out that in a number of States, funds sanctioned for the EAPP had in fact been deposited or transferred to such bodies and considerable amounts had also remained unutilised on EAPP schemes upto 31st March, 1973. For instance in Orissa Rs. 148 lakhs had been deposited with the State Electricity Board. In Punjab, similarly, Rs. 36.90 lakhs had been given to the State Marketing Federation for the purchase of diesel engines. The engines were, however, not received even till September 1973 and the advance had remained unadjusted. Again, in Assam, Rs. 70 lakhs had been advanced to the Assam Agro-Indus-

tries Development Corporation for the purchase of diesel and electric pumpsets. Since the Audit Report abounds in such instances the Committee desired to know the steps taken by the Central Government to recover such amounts. In a note initially furnished to the Committee, the Ministry of Agriculture had stated:

“Information regarding the amounts remaining unutilised out of the funds deposited with other organisations like State Electricity Boards, State Apex Cooperative bodies, etc. for execution of EAPP schemes would be available with the State Governments/State Accountants General.”

In another note furnished subsequently to the Committee, the Ministry stated:

“The question of recovery of unspent balances will be taken up on receipt of the audited figures of account from the Accountants General/State Governments. The concerned State Governments have already been addressed to expedite the supply of the audited figures of accounts on the basis of which the recovery of the unutilised amounts will be effected.”

6.24. It had been stated in reply to some of the questions of the Committee on the recovery of unspent balances and compliance by State Governments with the conditions prescribed for the Central Government by the EAPP that the Accountants General of the States concerned would recover unspent balances and certify the observance of the prescribed conditions by the State Governments. Since recovery was not an Audit function, the Committee asked whether the Comptroller & Auditor General of India had been consulted during the formulation of the EAPP, if the Accountants General were to certify the implementation of the scheme by the State Governments. In a note, the Ministry of Agriculture stated:

“Recovery of unspent balance is not the function of the Audit no doubt but the intention was that the concerned Accountants General would furnish the figures of expenditure to the State Governments as well as to the Central Government and that on the receipt of these figures of expenditure the concerned State Governments would be addressed by this Ministry for the refund of the unspent balance. The question of consultation with the Comptroller and Auditor General of India, therefore, did not arise.”

The Secretary, Ministry of Agriculture stated in this connection during evidence:

“We have now evolved a proforma and we are insisting on all the State Governments to give us the complete information that will enable us to arrive at a conclusion about how much has been wrongly utilised.”

6.25. The Committee desired to know when the Audit Report had been received by the Ministry and the witness replied that it was in March or April. When the Committee observed that considerable time had lapsed since then, the witness stated that the State Governments had been addressed within a day of the receipt of the Audit Report. The Committee desired to know how the State Governments had reacted. The witness replied:

“Most of them did not send any reply for a long time. Then they said that they were trying to reconcile the discrepancies with the local Audit parties of the State Accountants General. Some of them sent reports which were incomplete. Some of them said that they had already given the answers to the State AG and they did not consider it necessary to answer us because this was a loan to them and they administered it and they would deal with the State AG if there is any recovery to be effected. We are, however, still pursuing the matter because this was a special programme sponsored by us.

#### *Shortfalls in achievements*

6.26. Since the Committee found that there was a wide gap between the targets under the EAPP and the actual achievements, the Committee enquired into the reasons therefor. The Secretary, Ministry of Agriculture replied in evidence:

“The reasons were that the position in regard to the minor irrigation programme was this. The All-India Plan expenditure under minor irrigation from 1969-1970 upto 1972-73 was, from year to year, Rs. 93 crores, Rs. 97 crores, Rs. 101 crores and Rs. 101 crores. Rs. 101 crores was the approved outlay, but the actual provision that could be made in the budget was less. In addition to that, a part of the minor irrigation programme is financed from institutional sources—loans from land development banks and commercial banks and so on. This institutional finance for minor irrigation that was made available was Rs. 123 crores in

1969-70, Rs. 139 crores in 1970-71 and Rs. 115 crores in 1971-72. The institutional finance provided in 1972 was Rs. 133 crores. The part of the EAPP outlay of Rs. 148 crores which went to minor irrigation proper—as distinguished from the finishing work of major and medium projects to make them yield results and rural electrification for energising the existing pumps—was only Rs. 80 crores. Now, this Rs. 80 crores was in addition to about Rs. 234 crores. Therefore, it was not as though the provision for minor irrigation was doubled or made  $2\frac{1}{2}$  times; it was increased only by about 30 to 35 per cent.

Now, the works were sanctioned in August-September of 1972. A large part of these works was taken up and completed in the drought affected areas of Maharashtra, Andhra Pradesh and Gujarat which continued to have drought throughout the South-west monsoon season and even in the North-east monsoon season so that many of bunding works on these irrigation canals and even the lift-irrigation devices in river beds did not actually provide water because there was no water even though the physical work on the ground was completed."

6.27. The Committee asked whether the Government of India had conducted any exercise to find out how such wide variations between the estimates and the actuals had occurred. The Secretary, Ministry of Agriculture replied in the negative and stated:

"No, Sir. There was no occasion for it because the real variation about which we are worried is the variation between the first estimates sent by the State Governments after the Area Officers' reports and the actual result of the crop cutting examination and the correct figure which came after the statistical correction. The difference of 10 million or 11 million or 15 million tonnes was just the impression of some responsible people in different States. It is not possible to make any mathematical analysis as to how or why this has occurred."

6.28. When the Committee pointed out that it could, therefore, be concluded that, keeping in view the time available for the Programme and other severe constraints, the venture was not really realistic, the Secretary, Ministry of Agriculture replied:

"Even without the EAPP, a sum of about Rs. 233 crores would have gone into minor irrigation from plan funds and in-



stitutional finance. EAPP increased the minor irrigation outlay by another 80 crores. If this 80 crores presented difficulties, even that 233 crores would have presented the same difficulties. Similarly for rural electrification, EAPP was to help those Electricity Boards which did not have funds of their own or did not have adequate credit from the Rural Electrification Corporation. They were to get some money in order to energise tubewells etc. that were in existence. Some constraints of fertilisers, pesticides etc. were also there. We tried to do a little more than what would have been done otherwise. We experienced difficulties, the results were not what we desired. All that would have happened otherwise was that there would have been much less work."

6.29. The Committee asked whether the expectations of the Central Government were based on the progress reports received from time to time. The witness replied.

"No, it was not on the basis of the progress report; it was on the basis of our own analysis."

6.30. The Committee desired to know whether, on the basis of this analysis, the State Governments had been taken into confidence and requested to exercise greater care over the expenditure. The Secretary, Ministry of Agriculture replied in the negative and stated:

"Any expectation of production of foodgrains is a highly explosive information. The fact that there was an anticipated loss of 15 million on kharif production of 1972 would have pushed up the price and put a run on Government stock. The EAPP had intended to make up for that loss and restore public confidence to some extent. When we brought it down to 6 million tonnes, we did not want to make it public for two reasons. One was that when we were not satisfied about the accuracy of even this, there was no point in saying that the figure of 15 million was wrong, it was only 6 million tonnes, because in the end we do not know what it would be. The second reason was that any information publicly given out that the crops were going to be poorer than what people believed, would result in further upward spurt in price and run on Government stocks and so on. Therefore, we wanted to be sure of our facts before taking the State Governments and the country generally into confidence about what the real

production was going to be. As a matter of fact, on one occasion when our Minister was very insistent about our giving him some figure of what would be the production, we said that it is going to be about 97 to 98 million plus or minus 2 million. I think in Parliament he gave the figure of 99 million, because he interpreted the margin of error in one direction, while the margin of error actually occurred in the other direction. So, it is very dangerous to give out these figures prematurely."

6.31. In the meeting held on 22nd September, 1972, the State Government representatives had decided that district-wise and block-wise plans, which would be action-oriented, would be drawn up and that responsibility for the achievement of specific targets would be entrusted to different functionaries. The Committee asked whether the Ministry of Agriculture had specifically made the officers of the Ministry responsible for the achievement of EAPP targets. The Secretary, Ministry of Agriculture replied:

"The EAPP had to be implemented by the State Government machinery. The Central Government was not executing this programme. We were clearing and approving schemes of the State Governments and releasing money for them."

When the Committee pointed out that though the State Governments had a major role to play, the Central Government could not absolve itself of shouldering the responsibility for coordinating and monitoring the fulfilment of this action-oriented programme, the witness stated:

"We have already submitted details of all the arrangements that we had made for supervising the implementation of the programmes, to the extent it was possible for us to get them supervised."

6.32. Judging from the implementation of the EAPP and the actual achievements, the Committee desired to know whether the seven Area Officers who had been entrusted the responsibility of overseeing the programme had performed their duties adequately. The Secretary, Ministry of Agriculture stated:

"I can only submit they tried to do their best but, in the circumstances in which this programme was launched and operated, the result of their scrutiny did not come up to the expectations."

6.33. The Committee asked whether the Ministry had considered that the pumping in of a large sum of money without corresponding results would also contribute, in no small measure, to inflationary trends and, if not, how this vital issue had been lost sight of in the formulation of the EAPP. The Secretary, Ministry of Agriculture replied:

"Finance was conscious of it. In the Committee of Secretaries, the Finance Secretary had expressed his view several times and wanted the outlay to be reduced. It was as a result of this that requests from many State Governments for large allotments which would have exceeded this Rs. 150 crores were turned down and the outlay was kept at less than Rs. 150 crores. The release of short-term credit was also limited to Rs. 80 crores. This was worrying Finance and at official discussions their representatives were greatly concerned about it"

6.34. The Committee desired to know whether more positive results would not have been obtained had the Programme been extended to the agriculturally backward regions. The Secretary, Ministry of Agriculture stated:

"The States of Maharashtra, West Bengal, Orissa had EAPP schemes and even Tamil Nadu did not have drought really; but even then the EAPP was extended to Tamil Nadu."

6.35. Summing up, the Committee asked whether it would not be correct to say that the entire Programme was conceived in haste without adequate planning. The Secretary, Ministry of Agriculture replied:

"The scheme by its very name was an emergency scheme and therefore need not wait for lengthy planning or investigation and it was in fact taken up without such investigation and planning."

## SECTION VII

### CONCLUSIONS AND RECOMMENDATIONS

7.1. From a study of the Report of the Comptroller & Auditor General of India on the Emergency Agricultural Production Programme and an analysis of the evidence tendered before the Committee, there emerges a clear conclusion that the entire programme was largely unrealistic and its implementation sadly defective. There was justification, no doubt, for the Central Governments anxiety to improve rapidly the performance of Indian agriculture which continues to be the sheet-anchor of our economy. But it saddens the Committee to find that the programme was formulated in haste, on the basis of incomplete and sometimes incorrect estimates and a number of wish-fulfilling assumptions which proved to be exaggerated and impractical. Some of the more conspicuous shortcomings of the programme, which reflect badly on our whole system of planning have been discussed in the following paragraphs.

7.2. The Committee fear that the emergency programme was launched in August 1972 almost as "a panic measure", reflecting something like a loss of nerve at the widespread failure of rains during the last fortnight of July and the first four days of August 1972 and continued drought in several parts of the country. Thus a 'crash' programme had to be hurriedly implemented that is, in about eight months during the 1972-73 rabi and 1973 summer seasons, to recoup the anticipated loss in the production of foodgrains during the kharif season, which was estimated initially at 10 to 12 million tonnes. These estimates of the loss in kharif production were based on no better than some 'scrappy' reports received from the States and generally incomplete information. The reappraisals made subsequently, however, disclosed that the estimates made earlier were unduly pessimistic.

7.3. The increases in foodgrain production during the rabi and summer seasons envisaged at the time the programme was evolved were also patently over-optimistic and had no relation whatsoever to realities. The Committee are surprised that in a short period of one rabi and one summer season, Government sought to achieve under the emergency programme what could not be achieved in any of the previous years. The exaggerated nature of the projections made under the programme would be evident from the fact that dur-

ing the three years prior to the formulation of the programme, production of wheat in the country had increased only by 7.7 per cent, 18.6 per cent and 10.8 per cent respectively, while the emergency programme sought to increase wheat production by as much as 37 per cent. Again, the production of summer rice was to be increased by, 114 per cent, over the previous year's production. Similarly, it was envisaged that production of gram would be increased by about 40 per cent over the level of 1971-72, when, in fact, production of pulses had not increased at all over the last decade. In respect of rabi jowar, the increase anticipated was over 46 per cent and involved the doubling of the yield per hectare. It is also of interest to note that 25 per cent of the total increase in the production of foodgrains had been envisaged in Andhra Pradesh, Karnataka, Maharashtra and Rajasthan, despite the prevalence of drought conditions in these four States. It is incomprehensible how Government could have, without adequate preparation, considered feasible such an over-ambitious task, particularly in view of the severity of the constraints involved.

7.4. That the Emergency Agricultural Production Programme, howsoever desirable in its context, was drawn up unrealistically is also seen in the following facts:

- (a) The power supply constraints, which were already manifest when the programme was conceived 'were not appreciated and taken into account,' even though the success of as much as 75 per cent of the programme was dependent on the availability of an uninterrupted and regular power supply;
- (b) the likelihood of fertilisers required for the programme being in short supply had not been assessed properly, nor were adequate arrangements made for their procurement and distribution; it has also been stated by the Secretary, Department of Agriculture that the fertiliser supply constraint came 'as a bit of surprise' and that while there was no difficulty in getting fertilisers in July-August 1972, the position changed 'dramatically and suddenly' by November 1972;
- (c) no arrangements had been made for the supply of high-yielding variety seeds by the Central Government except to make available to the State Governments 1,35,000 tonnes of wheat from the stocks of the Food Corporation of India and while doing so, a facile assumption had been made

that the wheat procured by the Food Corporation of India could be used as so called high yielding variety seeds; what was supplied as seeds was only, as stated by the Secretary, Department of Agriculture, 'wheat produced from high-yielding variety seeds', and not 'high-yielding variety seeds';

- (d) no special arrangements had been made by the Central Government for the supply of pesticides;
- (e) in contemplating that the yield of rabi jowar would be doubled in the States where drought conditions existed, the formulators of the programme had equated the ideal to the average and mechanically transposed the yield per hectare recommended or estimated in the ICAR monograph in their programme, even though it was apparent that the conditions stipulated in the monograph did not exist in the concerned areas; and
- (f) a number of irrigation projects had been sanctioned, under the programme, involving inter-alia, the purchase of pump-sets, drilling rigs, diesel engines, etc. which were to be installed, after the completion of the necessary civil works, within a period of just a few weeks.

7.5. The Committee, thus, are of the view that the emergency programme, involving outlay of about Rs. 250 crores, had been somewhat hastily decided on by Government, without adequate examination of the issues involved. The Committee are surprised that the technical advisers to the Ministry of Agriculture appear to have inflated the possible benefits of the programme on the basis of some simple arithmetical calculations which were hypothetical and perhaps even inherently incorrect. The Committee are not unprepared to concede that the advisers, given a rush job, were working under pressure. Besides, it is not unlikely that basic decisions about targets having already been made by superior authority, they found themselves obligated to offer commensurate projections and hope for the best in so far as execution was concerned. The Committee, however, cannot just leave it at that, when on Government's own admission the programme was neither "well thought out nor well investigated." The Committee desire that lapses, if any, on the part of technical advisers should be fairly ascertained and suitable action taken.

7.6. The Committee concede that in August 1972 or earlier, there was justification for framing this programme as a measure dealing

urgently with a crisis situation. Even so, the Committee find that by September or October, the Central Government were aware that the situation was not as bad as feared earlier. Further they should have known that the State Governments had not till then made much headway on the works sanctioned. For instance, orders were placed for different items of minor irrigation equipments, at different stages, right through March and it should have been possible to stop further expenditure keeping in mind the possible utilisation of such items. Similarly, where minor irrigation and other works had not even started by October or November, it should have been possible to assess that some of these works would not be of any real benefit to even the summer crop. In the drought-affected States, which are watered mainly by the South-West monsoon, it should have also been possible to assess the relevance of schemes which used surface water. The Committee cannot, therefore, appreciate why the opportunity of reviewing the position and making the programmes less ambitious, which was open to Government till October 1972, was not availed of. In the Committee's view, such review, if properly made would have revealed that while the behaviour of the rainfall had been erratic and floods and drought afflicted parts of the country, the shortfall in kharif production was not likely to be as heavy as had been feared, and that on account of shortage of necessary inputs and also the lack of time for effective execution of schemes evolved, the programme was likely to be largely infructuous. The Committee apprehend that Government had virtually ceased to apply its mind to an initially public-spirited project launched with some fanfare but left largely to routine bureaucratic devices.

7.7. The Committee are unable to understand how the Ministry could come to the conclusion that, even though rains had recommended early in August and it was known that the rainfall upto the end of September had, to some extent, made up the earlier anticipated deficit in kharif production, the overall deficit in the kharif crop of 1972 would increase from the earlier estimates rather than decrease. The Committee can only conclude that Government was incorrectly advised as to the real situation obtaining.

7.8. The Committee feel that it was the responsibility of the concerned officers to offer well-founded advice and to point out, among other things that (a) the estimates of the losses in kharif production were premature and not quite reliable and (b) the objectives and benefits contemplated under the special emergency programme were unrealistic and almost illusory. The Committee desire that a detailed investigation should be undertaken into the role in this regard of the officers in the Ministry of Agriculture and elsewhere who had

been entrusted with the formulation of the programme and who had apparently failed to render proper and complete advice expected of them. In case such advice had been given by the officials concerned and disregarded, the Committee would like to be informed why and by whom it was done.

7.9. It is also surprising that Government should have embarked upon a venture of such a large magnitude on the basis, as it was said in evidence, of 'public clamour'. While it is essential for Government to be responsive to public opinion, the Committee would like to impress upon Government that no such programme, especially when it involves large financial outlays, should be undertaken without a thorough and detailed examination of its realism and feasibility. The Committee are of the opinion that a less ambitious programme based on available resources and a closely directed effort might have achieved better results.

7.10. It is also a matter of great concern to the Committee that the Finance Ministry was excluded from the deliberations leading to the formulation of the programme and from exercising its legitimate functions of overseeing disbursements proposed for individual schemes. It will be strange indeed if it was done, as it appears from the evidence, under orders from higher echelons of Government. In view of the failure to pursue the programme properly and in view of the instances of diversion of funds that have come to their notice, the Committee feel that the association of the Ministry of Finance with its formulation and implementation would have improved matters. Its exclusion perhaps meant the elimination of the care and prudence which could have been exercised in the sanctioning and authorisation of expenditure. The Committee are distressed to note that the guidelines issued by the Ministry of Finance for regulating the sanction and release of funds for schemes under the EAPP were honoured more in the breach than in their observance. It is also significant that a very abnormal procedure of obtaining Government approval before obtaining financial concurrence had been adopted for the EAPP, on the ground that an abnormal situation existed when the EAPP was conceived.

7.11. The arrangements made by the Central Government for monitoring the programme also merit mention. The Committee note that seven senior officers of the Ministry of Agriculture had been designated as Area Officers and placed in charge of specific groups of States. The Area Officers were to visit the States allocated to



them, examine schemes proposed for the EAPP, make financial allocations on the spot and maintain a close watch over the implementation of the schemes. In addition, a Review Committee of Joint Secretaries had also been established in the Ministry of Agriculture to review the progress of the various schemes and keep the Committee of Secretaries and the Cabinet Secretariat informed.

7.12. In spite of these apparently elaborate monitoring arrangements, the Committee find that the control machinery did not function often and there were failures at all levels. For instance, even when it was known that certain States were not making an effort to increase production during the rabi season or had fallen behind significantly in completing minor irrigation and other works which would yield the desired results, there appeared to have been no attempt at remedying the deficiencies. The seven Area Officers entrusted with the responsibility of overseeing the programme had not properly performed their duties and had not realised the challenging nature of an important assignment in the national interest. Admittedly, the Area Officers attended to these duties in addition to their other normal responsibilities in the Ministry and on account of prior engagements, most Area Officers were not in a position even to visit the respective States in their charge. The checks and controls they could exercise in the field were, therefore in the very nature of things, insignificant. The Committee also find that the refinements and precautions claimed to have been introduced, to the extent possible, at different stages of the programme, proved to be woefully inadequate.

7.13. The Committee note that numerous examples have been cited in the Audit Report of 'additionality' not having been achieved in actual practice in respect of minor irrigation schemes approved and taken up for execution even though this was expressly enjoined. In many States, individual minor irrigation schemes taken up ostensibly under the emergency programme were only substitutes for the States' own Plan schemes in that year and in a few instances, money was also spent on continuing projects. Evidently, there was a failure of scrutiny by the Area Officers concerned. It is inconceivable that the Area Officers could have satisfied themselves that the schemes cleared by them in the course of barely two weeks were in fact realistic. The Committee would like Government to examine in detail the scrutiny, if any, exercised by each of the Area Officers and determine how far these checks were really effective. The Committee would like to be satisfied that the Area Officers did everything possible to ensure successful implementation of the programme.

7.14. The Committee have been informed of a decision by State Government representatives that district and block-wise plans, intended to be "action-oriented", would be drawn up and that responsibility for the achievement of specific targets would vest in different functionaries. The Committee are keen to know how far and in what manner this decision was implemented. It would be intriguing if the Ministry of Agriculture had thus washed its hand off any specific responsibility for the accomplishment of EAPP targets. Doubtless, the EAPP had to be implemented through the State Government machinery. Yet, the Committee are of the view that the Central Government should not, and could not, have absolved itself, as it appears to have done, of the obligation of co-ordinating and actively monitoring the fulfilment of an "action-oriented" programme of vital national importance.

7.15. The Committee are also surprised to find that while the Central Government had planned for an increase of wheat production in Punjab by 8 lakh tonnes and made finance available to that State Government accordingly, the Punjab Government had planned for only an increase of 2 lakh tonnes. Similarly, while the Punjab and Gujarat Governments had made no plans to increase gram production, the Central Government had planned an increase in this regard of 1.08 lakh tonnes and 0.10 lakh tonnes respectively in these two States. Against the additional production of 0.43 lakh tonnes of rabi jowar targeted by the Centre in Gujarat, no plans had been made by the State Government, as according to them, the sowing season of jowar had already ended. There may be other such instances of lapse, and the Committee would like to be informed as to how the Area Officers concerned had discharged their functions in these two States.

7.16. The final picture of the co-ordinating arrangements that emerges from the foregoing paragraphs is, therefore, far from complimentary. Notwithstanding the fact that the programme had to be implemented on an emergent basis and could not, therefore, wait for lengthy planning or investigation, the Committee feel that the Central Government should have evolved a more foolproof and comprehensive scheme for monitoring the programme. It appears that Government relied instead on the seven Area Officers of the Ministry who, in any case, could not devote their undivided attention to the implementation of the programme and on the reports, if and when received from the different States.

7.17. Considering that very large increases in the production of foodgrains were envisaged within one season, it is obvious that all

essential prerequisites for increased production, namely, irrigation, fertilisers, seeds, pesticides etc. had to be made available simultaneously and there was no scope for delay on any one account, since time was of the essence of the Programme. The Committee, however, observe that the measures taken to ensure that all these items were available and, in fact, reached the cultivator in good time proved to be inadequate. Apparently no detailed study of the requirements of various inputs had been undertaken before the Programme was launched. By the time such a study was made, the EAPP was already in progress at full speed and Government could do little to retrieve the situation. It also distressing that the extent to which other scarce inputs like steel, cement, drilling rigs etc. would be required had not even been estimated when the EAPP was formulated.

7.18. The Committee are surprised to note that while shortages of fertilisers were reported from most States, some of them, like Maharashtra and Assam, had fertilisers in excess of actual requirements, and most of this quantity had also remained unutilised. It is not clear to the Committee why no arrangements had been made to divert surplus fertilisers available in some States to the deficit States, when the shortage of fertilisers became known in November 1972, thus vitiating proper distribution and optimum utilisation of a vital commodity.

7.19. The Committee are concerned to note that while embarking on the EAPP, adequate crop protection measures had also not been undertaken. The Committee have been informed that one of the reasons for the non-fulfilment of the EAPP targets was the attack of rust disease on Kalyan Sona wheat in 1972-73. The Committee find that Kalyan Sona wheat had been, earlier in July-August 1971, heavily infested with rust in the Lahaul Valley in Himachal Pradesh (the place where summer nurseries for wheat are raised). In view of the fact that the inoculum in the hills was likely to spread to the plains during the subsequent seasons and attack the crops there and the susceptibility of Kalyan Sona to rust had been established, the Committee feel that the possibility of an outbreak of rust should have been foreseen by the Ministry of Agriculture and adequate preventive measures taken instead of waiting till the large scale attack of rust became evident.

7.20. Quick implementation of the minor irrigation programme, capable of augmenting irrigation facilities for the benefit of the ensuing rabi and summer crops, had formed the major plank of the Government's strategy. The Committee are, however, distressed

to find that a number of minor irrigation schemes, which obviously were either unlikely to be completed in the short time available so as to be of use during the rabi season or which, inherently, could not be put into operation at all, had been approved for execution under the EAPP. Some typical instances are enumerated below:

- (i) In West Bengal, establishment of 656 lift irrigation stations, involving an outlay of Rs. 4.25 crores, had been sanctioned by the State Government under the EAPP. Against 515 such schemes reported completed upto 24th March, 1973 and which had been planned to benefit an area of 14,000 hectares, test check of 195 disclosed, in October 1973, that only 32 were actually supplying water by 31st March, 1973 to 586 hectares. Pumpsets had been installed at 30 sites where the water available was not even sufficient for testing the pumps.
- (ii) None of the 18 lift irrigation scheme sanctioned in Himachal Pradesh had been completed till January 1974.
- (iii) Only 30 of the 558 lift irrigation projects taken up in Orissa were completed in time for the rabi season and against a target of 13,000 hectares, 5,038 hectares of irrigation potential had been reported to have been created of which only 607 hectares could be utilised for the rabi crop.
- (iv) Only 1 out of the 71 new lift irrigation schemes approved in Karnataka had been completed till March 1973.
- (v) Schemes for lifting water from canals and streams in Andhra Pradesh and for the extension of major projects like Nagarjunasagar, Tungabhadra and the Guntur canal had been approved even when no water was likely to be available during the particular period. Besides, none of the 22 schemes in the State, which were test-checked by Audit, had been completed by the end of March 1973 or even by 31st May, 1973.
- (vi) Even though field channels were constructed in eight districts of Maharashtra, under the EAPP, for a command area of 1.34 lakh hectares, only 0.19 lakh hectares were actually irrigated, mainly because of shortage of water.
- (vii) Similarly, of 190 works taken up in 8 districts of Maharashtra, test-checked by Audit, for extensions of and im-

provements to the existing irrigation system, only 97 works were completed by March 1973 and the irrigation potential of 2173 hectares created, against the target of 8506 hectares, was utilised only to the extent of 963 hectares. The rest was not utilised either because all works were not complete or because of lack of water.

- (viii) In Bihar, 500 new State tubewells were to be constructed under the EAPP at a cost of Rs. 547 lakhs. While the State Government had reported completion of 654 tubewells by 31st March, 1973, the progress report prepared by the State Tubewells Organisation, however, showed that only drilling was completed of 654 tubewells. By 31st March, 1973, only 368 tubewells were developed and had pumps installed and 464 by 31st May, 1975. The Committee find it difficult to understand how the cost of one tubewell had been computed at more than Rs. 1 lakh and would like to be satisfied that no extravagant estimates had been prepared by the State Government.
- (ix) Energisation of pumpsets also formed one of the major components of the Programme, but shortage of power in the Northern region, in Uttar Pradesh and Tamil Nadu nullified greatly the benefits of the additional irrigation capacity.

The instances given above are not exhaustive, but only illustrative. In fact, the Report of the Comptroller and Auditor General of India abounds in such instances.

7.21. The Committee are unable to appreciate how such infructuous activity and such patently haphazard schemes came to be approved. Obviously, adequate care was not taken by the Ministry of Agriculture. Since the Central and State Governments were engaged in a joint national task, there should be no difficulty in meeting the Committee's desire that these and other specific instances of default in the scrutiny of schemes should be investigated and responsibility for it fixed by the Ministry and the Committee informed.

7.22. The Committee are surprised that the reports by State Governments of achievements in the execution of minor irrigation schemes were not always supported by detailed reports from investigating agencies involved. The Committee would take a serious view of this default and like Government to evolve, in consultation

with the State Governments, a suitable mechanism for the foolproof reporting of ground-level results and achievements, particularly in the field of agricultural production and all schemes associated with it.

7.23. The Committee are perturbed to find from the Report of the Comptroller & Auditor General of India that a number of State Governments had not utilised the short-term loans made available to them by the Central Government, under the EAPP, for the purchase and distribution of inputs. For instance, the Government of Rajasthan had informed the Central Government, in January 1973, that it was not in a position to utilise the short-term assistance to the extent of Rs. 100 lakhs. Government of Orissa had refunded Rs. 1 crore out of Rs. 2 crores sanctioned. Rupees 248 lakhs out of Rs. 1250 lakhs allotted to the Uttar Pradesh Agriculture Department had remained undistributed. Similarly, Rs. 486 lakhs out of Rs. 1,000 lakhs sanctioned in Andhra Pradesh had not been utilised. The Committee are gravely concerned to note that the Government of Maharashtra had diverted Rs. 253 lakhs from the short-term loan of Rs. 1600 lakhs for drought relief measures instead without the consent of the Government of India. Fertilisers worth Rs. 422 lakhs had also remained undistributed at the end of March 1973.

7.24. The terms of the sanctions issued for schemes under the EAPP did not allow the mere transfer of moneys or deposits with other State Government organisations like Electricity Boards, State Apex Cooperative institutions, Agricultural Marketing federations, etc. to be treated as expenditure under the EAPP. The Committee, however, find from the Audit Report, that, in a number of States, considerable amounts sanctioned for the EAPP and deposited with or transferred to such bodies had remained unutilised on EAPP schemes upto 31st March, 1973. In Orissa, for instance, Rs. 148 lakhs had been deposited with the State Electricity Board. In Punjab, similarly, Rs. 26.90 lakhs had been given to the State Marketing Federation for the purchase of diesel engines and the advance had remained unadjusted. Again, in Assam Rs. 70 lakhs had been advanced to the Assam Agro-Industries Development Corporation for the purchase of diesel and electric pumpsets. The Committee are amazed to learn that information regarding the amounts remaining unutilised out of the funds deposited with other organisations for the execution of EAPP schemes are not even yet available with the Central Government.

7.25. Two other glaring instances of violation of the objectives of the EAPP are: (a) the diversion of Rs. 100 lakhs in Uttar Pradesh

to the U.P. Cooperative Cane Unions Federation for distribution to members of sugarcane cooperative unions and (b) the sanctioning of 25 lift irrigation schemes, estimated to cost Rs. 427.35 lakhs, in Sangli District of Maharashtra for providing irrigation to the lands of the shareholders of a cooperative sugar factory. The Committee consider this to be an entirely unwarranted proceeding, irrelevant to the wider public interest and irresponsibly pursued. The Committee are of the view that diversion of funds meant for the EAPP to sugarcane, when the very objective of the programme was to increase the output of foodgrains, is inexplicable. In the opinion of the Committee, a peculiar and perverse situation was allowed to develop whereby the State Governments could depart from the prime objectives of the EAPP and find large sums from the Centre for projects which were not directly contributory to the aims of EAPP, namely, an immediate growth in the production of foodgrains within a stipulated period.

7.26. The Committee would like to be informed whether all such amounts remaining unutilised with the State Governments or amounts which had been diverted for purposes other than the EAPP have been identified and recovered or adjusted in full from the State Governments concerned. In case this has not been done so far the Committee desire that necessary action in this regard should be initiated forthwith under advice to them.

7.27. In this connection, the Committee are distressed to observe an attitude of what can only be termed indifference on the part of the Ministry of Agriculture. It is surprising that the Ministry should have merely remained content with informing the Committee that the Accountants General of the States concerned would recover unspent balances and certify the observance of the prescribed conditions by the State Governments. Recovery is not an Audit function. As the Audit Report has pointed out a number of deviations from the prescribed guidelines and other irregularities detected during test check, it is not unlikely that there may be more such instances. The Committee desire that all such instances should be investigated in detail and a complete assessment made of moneys provided but not spent for the purpose envisaged under the EAPP, in accordance with the guidelines laid down by the Ministry of Finance. Such moneys should be recovered or adjusted immediately.

7.28. The Committee are perturbed to note in the matter of purchases also, the urgency with which the entire programme had

to be implemented resulted in rules, which would otherwise be inescapable in normal purchase procedures, being relaxed or bypassed or even ignored. However, even despite relaxations in procedures, much of the equipment, machinery or material was not received in time or, if received, could not be utilised to serve the purpose of the EAPP. The Committee find that the cost of certain items, e.g., cars, jeeps, etc., not intended to be debited to the EAPP had in fact, been so debited. It is shocking that even though the Audit Report has highlighted a number of what were deemed irregularities in purchases, the Ministry of Agriculture have not so far received, to the Committee's knowledge, any report from the State Governments regarding such alleged irregularities. The Committee desire that the Central Government should at once institute, in consultation with the State Governments, enquiries into these specific cases where lapses are apparent. As instances pointed out by Audit were noticed by them as a result of test-check of records and accounts at random in States, it is not unlikely that there may be similar instances in other States, which Government should investigate likewise and take appropriate action. The Committee would await a detailed report in this regard.

7.29. The control exercised by the Ministry of Agriculture over the release of funds also deserves mention. Even though the last instalment of 25 per cent of the loans to the States was to be released subject to a review of the normal Plan expenditure and the progress of the emergency programme, the Committee find that this stipulation was not observed scrupulously and the scrutiny that was made proved to be only cursory and inadequate. The Committee are concerned to note that, in January-February 1973, when it was already known that many of the minor irrigation schemes had not made much headway and the shortages of fertilisers, etc. had also necessitated a revision of the original food production targets, additional funds were sought to be given for certain minor irrigation schemes. It is also of significance that the Review Committee of Joint Secretaries had felt, in February 1973, that the Ministry of Agriculture was making releases of funds to the States 'on a rather liberal basis' and that, in some cases, the additional funds released were not justified by the physical progress of work.

7.30. Another feature of the Emergency Agricultural Production Programme which causes serious concern to the Committee is that a number of State Governments had, on the evidence, made wrong and incorrect statements about areas, production, productivity, etc.



What is even more distressing is the fact that lapses and irregularities in the execution of the programme had been noticed to a greater or lesser extent in practically all the States, probably with only two or three exceptions.

7.31. The Committee must express their grave displeasure over the manner in which financial control over the EAPP had been exercised. It is reprehensible that instead of remedying the deficiencies that had periodically come to notice, moneys should have been liberally released irrespective of the fact whether the State Governments were truly carrying out the objectives of the EAPP or not. The Committee feel that the Government of India should, as the authority for providing finances ostensibly intended for vital and specified purposes, devise immediately, in consultation, of course, with the State Governments, some machinery by which the accountability of the Central Government to Parliament and to the people for moneys made available for specific schemes by the Centre, can be properly insured.

7.32. The Emergency Agricultural Production Programme was launched with great expectation of its success. By and large, unfortunately, such expectations have been belied. This, the Committee note sadly, has had a demoralising effect on the country. There can be no doubt that the huge expenditure of Rs. 250 crores, which had not derived commensurate results, has contributed to accelerating the deplorable inflationary trends. In the Committee's view, the Emergency Agricultural Production Programme has been an example of how a programme should not be hastily formulated and then patchily implemented. The Committee can only hope that its lessons have been learnt and that Government will tread more warily and purposefully in future.

NEW DELHI;  
September 18, 1975.  

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Bhadra 27, 1897 (S)

H. N. MUKERJEE,  
Chairman,  
Public Accounts Committee.

## APPENDIX I

(Vide Paragraph 2.3)

*BAPP Targets of Additional Production of Foodgrains during Rabi 1972-73 and Summer, 1973 Seasons ('000 Tonnes) and relative shares (Percentage wise) of States, Production of Principal Foodgrains (Average of 1969-70-1971-72)*

State	Foodgrain produced, average of 1969-70 to 1971-72	Rice		Wheat		Jowar		Gram	
		States' production as percentage of total produced in the country	E.A.P.P. target (Summer/ rice)	States' production as percentage of total produced in the country	E.A.P.P. target	States' production as percentage of total produced in the country	E.A.P.P. target	States' production as percentage of total produced in the country	F.A.P.P. target
Uttar Pradesh	18276.5	8.8	100	30.6	2000	4.5	..	30.8	185
Madhya Pradesh	10775.0	8.4	..	11.2	1000	16.0	..	17.8	210
Bihar	8164.6	10.5	490	7.0	1650	0.1	..	3.2	180
West Bengal	7570.2	15.2	690	3.4	320	..	..	2.8	64
Punjab	7390.4	1.7	..	22.1	800	..	..	6.1	108
Andhra Pradesh	7365.3	11.0	1200	..	80	13.4	80	0.4	80
Tamil Nadu	6718.7	12.1	100	..	2	6.4	80	..	160
Rajasthan	6640.8	0.3	..	7.3	650	4.9	..	18.1	295
Karnataka	5972.5	5.1	320	0.6	70	22.2	680	1.3	50
Maharashtra	5818.9	3.6	..	1.9	660	26.3	215	2.1	118
Orissa	4830.3	10.0	300	0.1	70	0.1	5	0.2	160
Haryana	4621.4	1.1	..	9.7	550	0.6	..	16.2	370
Gujarat	3949.7	1.3	..	3.5	220	5.4	40	0.7	10
Assam	2049.7	4.7	200	..	70	..	..	..	..
Kerala	1312.2	3.1	100	..	..	..	..	..	10
J & K	1018.2	1.0	..	..	100	..	..	..	..
Himachal Pradesh	959.1	..	..	..	150	..	..	0.2	..
Delhi	116.6	..	..	..	8	..	..	..	..
<b>Total</b>		<b>97.9</b>	<b>3500</b>	<b>97.4</b>	<b>8400</b>	<b>99.9</b>	<b>1100</b>	<b>99.9</b>	<b>2000</b>

Source : INDIAN AGRICULTURE IN BRIEF (12th Edition) Page 97 published by Directorate of Economics and Statistics, Ministry of Agriculture.

## APPENDIX II

(Vide paragraph 2.18)

### Energisation of Tubewells/Pump sets

Sl. No.	State	Physical target	Amount given
			Rs. in lakhs.
1	Andhra Pradesh . . . . .	20000	700.00
2	Bihar . . . . .	12500	530.00
3	Haryana . . . . .	15000	600.00
4	Himachal Pradesh . . . . .	320	8.00
5	Kerala . . . . .	2000	50.00
6	Madhya Pradesh . . . . .	7000	290.00
7	Maharashtra . . . . .	34712	656.70
8	Karnataka . . . . .	11000	330.00
9	Orissa . . . . .	741	190.00
10	Punjab . . . . .	15000	600.00
11	Rajasthan . . . . .	5800	318.25
12	Tamil Nadu (i) . . . . .	10000	225.00
	(ii) . . . . .	2000*	50.00
13	U.P. (i) . . . . .	25000	960.00
	(ii) . . . . .	700**	105.00
<b>Total</b> . . . . .		<b>161773</b>	<b>5612.95</b>

\* Filter points.

\*\*Additional state tubewells.

Source : Physical targets :—Stated in reply to Rajya Sabha Question No 717 answered on 29th August 1973.

Amounts :—As per sanctions issued by Ministry of Agriculture.

**APPENDIX III**  
(Vide Paragraph 2·18)  
*Lift Irrigation Schemes*

Sl. No.	State	Unit	Physical target	Amount given
				Rs. in lakhs.
1	Andhra Pradesh	Acres	61,000	75·18
2	Assam	Nos.	700	150·00
3	Bihar (i)	-do-	500	106·00
	(ii)	-do-	30*	10·00
	(iii)	-do-	51@	51·00
4	Gujarat	-do-	510	100·30
5	Himachal Pradesh	-do-	19	24·50
6	Madhya Pradesh (i)	do.	1,218	83·00
	(ii)	-do-	162	8·00
7	Maharashtra (i)	-do-	417	800·00
	(ii)	-do-	36	52·75
8	Manipur	-do-	518	20·00
9	Karnataka	do.	121	113·28
10	Nagaland	do.	175	10·00
11	Tripura	do.	34	16·00
12	Uttar Pradesh	Widening of canal and installation of pumpsets.		
13.	West Bengal	No.	595	425·00
Total			5,086	2104·71

\*Barge mounted river pumps.

@Pumps on upper reaches of Sone canal.

Source : As in Appendix II.

**APPENDIX IV***(Vide paragraph 2.18)**Construction of State Tubewells*

Sl. No.	State	Physical target	Amount given
		(Numbers)	Rs. in lakhs.
1	Bihar (i)	500	547.00
	(ii)	674*	229.00
2	Haryana	200	172.00
3	Punjab	100	116.00
4	Uttar Pradesh	220	308.00
5	West Bengal	250	300.00
	Total	1944	1672.00

\* Commissioning of existing tubewells.

Source : As in Appendix II.

## APPENDIX V

(Vide paragraph 2.18)

### Construction of Shallow Tubewells

Sl. No.	State	Physical target	Amount given
		(Numbers)	Rs. in lakhs.
1	Assam	200	20.00
2	Bihar	30000 } 10000 } 6000 }	123.00
	(i) Bamboo borings		
	(ii) Hand-pumps		
	(iii) Cavity boring		
	(iv) Big diameter well	1000	80.00
3	Punjab	10000	447.00
4	Rajasthan	50	15.00
5	Tripura	200*	1.80
6	West Bengal	8000	512.00
Total		65450	1198.80

\* Artesian tubewells.

Sources : As in Appendix II.

**APPENDIX VI**  
(Vide paragraph 2.18)

*Pumpsets*

Sl. No.	State	Physical target	Amount given
		(Numbers)	Rs. in lakhs
1	Kerala . . . . .	400	50.00
2	Madhya Pradesh . . . . .	5889	200.00
3	Punjab . . . . .	15000	309.00
4	Maharashtra . . . . .	14792	Not available
5	Tripura . . . . .	120	2.10
6	Uttar Pradesh . . . . .	4500	200.00
7	West Bengal . . . . .	4900	196.00
	<b>Total . . . . .</b>	<b>45601</b>	<b>957.10</b>

Source : As in Appendix II.

**APPENDIX VII**

*(Vide Paragraph 2.18)*

*Extension of Canals and Distributories in the Command areas of Major and Medium Irrigation Projects*

Sl. No.	State	Scheme	Physical target	Amount given
				(Rs. in lakhs)
1.	Andhra Pradesh	1. Additional Acreage under Tungabhadra High Level Canal	1619 hectares	46.00
		2. Additional acreage under Guntur Channel Scheme	6880 -do-	2.50
		3. Additional acreage under Nagarjunasagar Left Canal.	3237 -do-	16.00
2.	Bihar	Construction of feeder channels	72 miles	Not available
3.	Gujarat	Extension of canals of Ukai Project Scheme	6070 hectares	150.00
4.	Haryana	Western Jamuna Canal Augmentation Project	Completion of Augmentation Canal.	423.00
5.	Kerala	Development of irrigation in :		
		1. Periyar Valley		
		2. Cheera Kuzi	3318 hectares	50.00
		3. Chitturpuzha		
		4. Pothundy		
		5. Neyyar		
		6. Kuttiadi		
6.	Maharashtra	1. Construction of field channels.	223000 -do-	498.35*
		2. Improvement and extension of Existing canals.	1700 -do-	77.00
				25.00
7.	Karnataka	Additional acreage under the Malaprabha Canal system.	4856 -do-	40.00
8.	Rajasthan	Drainage work in Chambal Command area	N.A.	24.70@
9.	U.P.	1. Construction of minors on canals	} 40 Km.	5.00
		2. Construction of 2,700 outlets on canals		14.00
		3. Construction of 1000 syphons on canals.		
<b>Total</b>				<b>1376.55</b>

\*Including gorge filling of 81 tanks.

@Including Rs. 4.00 lakhs for land levelling in Chambal command area.

Source : As in Appendix II.



**APPENDIX VIII**

(Vide paragraph 2·18)

Sl. No.	Name of State	Miscellaneous items not covered in Appendices II-VII	Amount given
			Rs. in lakhs
1.	Assam	Tractors and Threshers	32·00
2.	Bihar	Aluminium pipes for tube-wells.	15·00
		Rigs and Accessories	82·00
3.	Gujarat	New kucha wells and deepening of existing wells.	250·00
4.	Kerala	Minor irrigation works (454)	100·00
5.	Maharashtra	Miscellaneous items	386·58
6.	Manipur	Temporary earthen dams/bunds and pumpsets etc	18·30
7.	Karnataka	Purchase of rigs	46·70
8.	Nagaland	Miscellaneous items	10·00
9.	Orissa	100 diesel sets 48 reservoir schemes Renovation of 37 tanks Cross bunds to steams	Rs. 155 lakhs Rs. 255 lakhs Rs. 40 lakhs Rs. 20 lakhs 470·00
10.	Rajasthan	Revitalisation by blasting of 2600 wells.	31·25
11.	Tamil Nadu	250 oil engines 200 sprayers	Rs. 4 lakhs. Rs. 20 lakhs 24·00
12.	U. P.	Construction of kutchas guls	Rs. 373 lakhs 423·00
		Construction of outlets/syphons on State Tube-well.	Rs. 50·00 lakhs
13.	Tripura	Miscellaneous items	3·00
<b>Total</b>			<b>1891·83</b>

**APPENDIX IX**  
(Vide Paragraph 5·1)

*EAPP — Amount administratively Approved and spent by State Governments*

(Rs. in crores)

Sl. No.	Name of State	Amount approved for minor irrigation programme	Amount reported to have been spent on minor irrigation programme	Short-term loan released for inputs
1	2	3	4	5
1.	Andhra Pradesh . . . . .	9·865	8·397	13·50
2.	Assam . . . . .	2·029	2·020 <sup>@</sup>	2·50
3.	Bihar . . . . .	17·728	17·728	7·00
4.	Gujarat <sup>v</sup> . . . . .	5·000	5·000	2·00
5.	Haryana . . . . .	12·000	12·000	0·10
6.	Himachal Pradesh . . . . .	0·500	0·325	0·35
7.	Kerala . . . . .	2·500	2·500	1·25
8.	Madhya Pradesh . . . . .	5·810	5·810	6·00
9.	Maharashtra . . . . .	24·963	24·963	16·00
10.	Manipur . . . . .	0·577	0·383	0·40
11.	Karnataka . . . . .	6·389	5·290	2·00
12.	Nagaland . . . . .	0·200	0·200	0·02
13.	Orissa . . . . .	6·600	6·600	2·00
14.	Punjab . . . . .	14·720	14·720*	..
15.	Rajasthan . . . . .	3·892	3·892	4·00
16.	Tamil Nadu . . . . .	3·820	2·990**	3·50
17.	Tripura . . . . .	0·229	0·229	0·20
18.	Uttar Pradesh . . . . .	20·750	20·750	15·50
19.	West Bengal . . . . .	14·330	14·330	6·00

<sup>@</sup>Includes Rs. 32 lakhs for purchase of tractors and threshers.

\* Includes a grant of Rs. 197 lakhs for construction of tubewells in the border areas.

\*\*Includes Rs. 20 lakhs for purchases of tractors and threshers.

1	2	3	4	5
Arunachal Pradesh		An amount of Rs. 6.75 lakhs approved and the Ministry of Home Affairs asked to provide the amount in the Area Demand of Arunachal Pradesh.		
Mizoram		An amount of Rs. 2 lakhs approved and the Ministry of Home Affairs asked to provide the amount in the Area Demand of Mizoram.		
TOTAL		151.902	148.136	99.92£

§ Includes Rs. 17.60 crores under normal programme for some States.

Source : Statement referred in reply to part (a) of the unstarred question No. 4379 answered in the Lok Sabha on 7th August, 1973.

**APPENDIX X**  
(Vide Paragraph 5.1)

*BAPP—Minor Irrigation Programme*  
(Numbers)

Sl. No.	State	Energisation of Tube-wells/Pumpsets		Lift irrigation.		Pumpsets	
		Target	Achievements	Target	Achievements	Target	Achievements
1.	Andhra Pradesh	20,000	20,000	61,000 (acres)	5,092@ (acres)	—	—
2.	Assam . . .	—	—	700	833	—	—
3.	Bihar . . .	12,500	17,000	(i) 500 (ii) 30* (iii) 51‡	600 30* 51	—	—
4.	Gujarat . . .	..	—	510	510	—	—
5.	Haryana . . .	15,000	15,000	..	..	..	..
6.	Himachal Pradesh	320	320	19	19	..	..
7.	Kerala . . .	2,000	2,100	..	..	400	400
8.	Madhya Pradesh	7,000	6,828	1,380	1,380	5,889	6,152
9.	Maharashtra . . .	34,712	34,712	453	453	14,592(P)	14,592(P)
10.	Manipur . . .	..	..	518	486	..	..
11.	Karnataka	11,000	11,000	121	33**	..	..
12.	Orissa . . .	741	741	..	..	..	..
13.	Nagaland	..	..	175	175	..	..
14.	Punjab . . .	15,000	15,000	..	..	15,000	14,498
15.	Rajasthan . . .	5,800	5,800	..	..	..	..
16.	Tamil Nadu . . .	12,000	9,500	..	..	250	100
17.	Tripura . . .	..	..	34	34	120	120
18.	Uttar Pradesh	25,700	20,700	..	..	4,500	1,471(P)
19.	West Bengal . . .	..	..	595	595	4,900	5,700
<b>TOTAL</b>		<b>1,61,773</b>	<b>1,58,701</b>	<b>5,086</b>	<b>5,190</b>	<b>45,851</b>	<b>42,273</b>

\*Barge mounted river pumps.

‡ Pumps on upper reaches of Sone Canal.

P Provisional

@ Progress was hampered by widespread disturbances and strike of staff.

\*\*Shortfall was due to lack of cement and steel.

**APPENDIX X (Continued)**

*Construction of Tubewells*

(Numbers)

Sl. No.	State	Construction of State Tubewells		Construction of Shallow Tubewells	
		Target	Achievements	Target	Achievement
1.	Assam	..	..	200	200
2.	Bihar	500	650 (1) 30,000 (2) 10,000 674* (3) 6,000 (4) 1,000	46,000 1,000	1. Bamboo borings 2. Hand pumps 3. Cavity borings 4. Large diameter wells.
3.	Haryana	200	200		
4.	Punjab	100	100	10,000†	9,237†
5.	Rajasthan	..	..	50	48
6.	Tripura	..	..	200	200 Artesian tubewells.
7.	Uttar Pradesh	220	220	..	..
8.	West Bengal	250	250	8,000	10,220
<b>TOTAL</b>		<b>1,944</b>	<b>2,094</b>	<b>65,450</b>	<b>60,905</b>

\* Commissioning of existing tubewells.

†The original target of 10,000 had been computed on the assumption that each farmer would obtain Rs. 2,500 as loan. However, according to the terms and conditions under this scheme, a farmer is entitled to a loan ranging from Rs. 2,500 to Rs. 3,000. Since several farmers actually obtained loans exceeding Rs. 2,500 the entire amount was utilised on 9,237 tubewells.

Source : Reply to Rajya Sabha Starred Question No. 717 answered on 29-8-1973.

**APPENDIX XI**  
(Vide Paragraph 5·1)

*EAAPP—Extension of Canals and Distributories in the Command areas of Major and Medium Irrigation Projects*

(in hectares)

Name of State	Scheme	Target	Achievement
1. Andhra Pradesh	1. Additional acreage under Tungha-bhadra high level canal . . . . .	1,619	1,619
	2. Additional acreage under Guntur Channel scheme . . . . .	6,880	2,428*
	3. Additional acreage under Nagar Junasagar Left Canal . . . . .	3,237	3,238
2. Bihar . . . . .	Construction of feeder channels . . . . .	72 miles	72 miles
3. Gujarat   . . . . .	Extension of canals of Ukai Projects. . . . .	6,070	6,070
4. Haryana . . . . .	Augmentation Western Jamuna Canal. . . . .	Completion of Augmentation canal.	Work-completed.
5. Kerala Development Irrigation in :			
1. Periyar Valley			
2. Cheera Kuzi			
3. Chit turpuzha		3,318	3,318
4. Pothundy			
5. Neyyar			
6. Kuttiadi			
6. Maharashtra . . . . .	1. Construction of field channels. . . . .	2,23,000	2,41,500
	2. Improvement and extension of existing canal. . . . .	17,000	17,000
7. Karnataka . . . . .	Additional acreage under the Malaprabha canal system. . . . .	4,856	4,050
8. Rajasthan . . . . .	Drainage work in Cambal command area. . . . .	Exact figures awaited.	
9. Uttar Pradesh . . . . .	1. Construction of minors of canals 40 kms., 51 Km.		
	2. Construction of outlets on canals 2,700 numbers, 570 Numbers.		
	3. Construction of Syphons on canals N.A. 670 Numbers.		

\* Progress was hampered because of disturbances and staff strike.

Source : As in Appendix X.

**APPENDIX 'A'***(Vide para 1.4)**Statewise average production of kharif and rabi foodgrains**(Production in lakh tonnes)*

State	Kharif production		Rabi production	
	Average*	Percentage to total	Average*	Percentage to total
I	2	3	4	5
1. Andhra Pradesh . . . . .	52.5	8.4	18.8	4.9
2. Assam . . . . .	20.0	3.2	1.6	0.4
3. Bihar . . . . .	56.5	9.0	28.8	7.5
4. Gujarat . . . . .	23.9	3.8	8.9	2.3
5. Haryana . . . . .	11.5	1.8	30.4	7.9
6. Karnataka . . . . .	43.7	7.0	11.4	3.0
7. Madhya Pradesh . . . . .	64.7	10.4	40.1	10.5
8. Maharashtra . . . . .	39.8	6.4	15.5	4.0
9. Orissa . . . . .	42.3	6.8	7.3	1.9
10. Punjab . . . . .	17.7	2.8	54.5	14.2
11. Rajasthan . . . . .	27.6	4.4	30.6	8.0
12. Tamil Nadu . . . . .	63.0	10.1	2.5	0.7
13. Uttar Pradesh . . . . .	70.8	11.3	107.7	28.1
14. West Bengal . . . . .	57.5	9.2	15.8	4.1
All-India . . . . .	624.9	100.0	383.3	100.0

\* Average for the period 1968-69 to 1972-73.

**APPENDIX 'B'**

(Vide para 1·4)

*Estimates of production of rice and wheat in selected States.*

(Lakh tonnes)

	Rice			Wheat		
	1970-71	1971-72	1972-73	1970-71	1971-72	1972-73
Andhra Pradesh . . .	47·9	47·2	42·6	0·1	0·1	0·1
Assam . . . . .	19·8	19·1	21·8	0·1	0·5	1·6
Bihar . . . . .	41·5	52·7	44·6	12·6	24·9	31·4
Gujarat . . . . .	6·0	5·2	1·5	9·4	9·0	5·5
Haryana . . . . .	4·6	5·4	4·6	23·4	24·0	22·3
Karnataka . . . . .	19·5	21·0	17·5	0·9	1·9	1·1
Madhya Pradesh . . .	37·0	37·0	30·8	25·9	31·9	22·8
Maharashtra . . . . .	16·6	13·7	7·5	4·5	5·0	2·5
Orissa . . . . .	43·4	36·2	39·8	0·2	0·4	0·9
Punjab . . . . .	6·9	9·2	9·6	51·5	56·2	53·7
Rajasthan . . . . .	1·3	1·6	0·8	19·5	18·9	17·5
TamilNadu . . . . .	53·0	53·0	55·7	—	—	—
Uttar Pradesh . . . . .	37·0	37·8	32·7	76·9	75·5	75·2
West Bengal . . . . .	61·4	65·1	57·2	8·7	9·2	6·9
All India . . . . .	422·3	430·7	392·5	238·3	264·1	247·3

— Nil or negligible.



## APPENDIX 'C'

(Vide para 2.81)

*Proforma for the weekly Report on the Progress of Special Production Programmes for coping with the situation created by Drought in 1972.*

State..... Report for the week ending Saturday  
the (date).....

1. Rainfall in (mm)
 

During the week		Since 1st June to date	
Normal	Actual	Normal	Actual
2. Effect on Kharif cultivation, intermediate crops, rabi and summer crops (whichever is relevant) including conditions and prospects.
3. Development of Irrigation under the Emergency the Drive :

	Target		Achieved upto last week		During the week		Total	
	No.	Area	No.	Area	No.	Area	No.	Area
(i) River lift Pumpsets								
(ii) Other pumpsets								
(iii) Shallow Tubewells								
(iv) Deep Tubewells								
(v) Filter points								
(vi) Bunding of Streams								
(vii) Any other item (specify)								

4. Progress of seed distribution programme :

Kharif 1972	Target (tonnes)	Achieved upto last week	During the week	Total
(i)				
(ii)				
(iii)				
<i>Intermediate crops—</i>				
(i)				
(ii)				
<i>Rabi, 1972—</i>				
(i)				
(ii)				
(iii)				

Mention measures taken to arrange targeted supplies (upto the end of August.) Descriptive position might be given. Thereafter, progress of supplies and distribution may be reported every week.

## 5. Cultivation targets:

	Area covered upto the end of July	Target of additional area to be covered after 1-8-72	Additional area covered (Thousand Hectares)		
			Upto Last week	During the week	TOTAL

(i) *Kharif Seasons* :

- Rice
- Jowar
- Bajra
- Pulses (specify)
- Oilseeds (-do-)
- Any other (-do-)

(In thousand hectares)

	Normal area	Additional area	Total targeted area	Progress in coverage		
				Till last week	During the week	Total

(ii) *Rabi season* :

- Wheat
- Gram
- Rabi Jowar

## (iii) Sumer Paddy

- (iv) Pre-Kharif paddy
- (v) Other (specify)

## 6. Financial aspects :

Scheme	Amount sanctioned Grant Long & Med-term loan	Short-term Grant Credit	Amount spent		
			Long term loan	Mid term	Short term Credit

7. *Employment aspects* :

man-days employed on the special production programmes	During the week	Total from 1-8-72
--	-----------------	-------------------

## 8. General :

Any other important aspects relevant to the special production Programmes which need to be brought to the notice of the Ministry of Agriculture, such as fertilizer supply and distribution pest attack and control, administrative coordination etc.

**APPENDIX 'D'**

*(Vide Para 2·85)*

*Public Sector—Expenditure on Minor Irrigation during IVth Plan & BAPP*

(Rs. in Crores)

Sl. No.	Name of State	1969-70 (Actual)	1970-71 (Actual)	1971-72 (Actual)	1972-73 (Approved)		% increase of Col. (7) over Col. (6)
					Normal	E.A.P.P.	
1	2	3	4	5	6	7	8
1	Andhra Pradesh	4·81	4·87	5·09	2·51	8·40	234·7
2	Assam	1·23	1·56	2·38	2·47	2·02	
3	Bihar	6·15	6·60	7·82	8·08	17·73	119·4
4	Gujarat	7·01	5·99	4·98	6·80	5·00	
5	Haryana	1·20	1·19	1·51	1·20	12·00	1000·0
6	Himachal Pradesh	0·51	0·44	0·48	0·50	0·33	
7	Jammu & Kashmir	1·32	1·48	1·37	1·90	..	
8	Karnataka	8·70	8·01	6·58	4·78	5·30	10·9
9	Kerala	2·04	1·87	2·86	2·40	2·50	4·2
10	Madhya Pradesh	6·19	6·41	8·27	9·66	5·81	
11	Maharashtra	13·10	13·77	15·39	16·90	24·96	47·7

12	Manipur	0	0	0	0	0	0	0	0	0	0	322.3
13	Meghalaya	.	.	.	.	.	.	.	.	.	.	
14	Nagaland	.	.	.	.	.	.	.	NA	.	.	
15	Orissa	.	.	.	.	.	.	.	3.23	.	6.60	104.3
16	Punjab	.	.	.	.	.	.	.	2.85	.	14.72	416.4
17	Rajasthan	.	.	.	.	.	.	.	3.02	.	3.89	28.8
18	Tamil Nadu	.	.	.	.	.	.	.	7.66	.	2.99	
19	Tripura	.	.	.	.	.	.	.	0.26	.	0.23	
20	Uttar Pradesh	.	.	.	.	.	.	.	20.48	.	20.75	1.3
21	West Bengal	.	.	.	.	.	.	.	5.88	.	14.33	143.7
22	Total UTs	.	.	.	.	.	.	.	0.56	.	..	
23	All India	.	.	.	.	.	.	.	101.48	.	148.14	

## APPENDIX 'E'

(Vide paras 2·85 & 5·83)

*Statement showing Statewise targets and anticipated achievements—Minor Irrigation  
(Normal programme and Emergency Agricultural Production Programme)—1972-73*

('000 hectares)

Name of State	Normal Programme		E.A.P.P.
	Target @	Anticipated achievement	Anticipated achievement
1. Andhra Pradesh . . . . .	85·00	40·00*	32·00
2. Assam . . . . .	56·23	56·53	16·00
3. Bihar . . . . .	169·00	142·00*	90·00
4. Gujarat . . . . .	127·00	131·00	20·00
5. Haryana . . . . .	30·00	30·00	60·00
5. Himachal Pradesh . . . . .	2·60	5·13	2·00
7. Jammu & Kashmir . . . . .	18·00	9·50	..
8. Karnataka . . . . .	52·00	47·00*	25·00
9. Kerala . . . . .	8·00	31·40	20·00
10. Madhya Pradesh . . . . .	116·00	109·00	30·00
11. Maharashtra . . . . .	130·00	89·00	100·00
12. Manipur . . . . .	4·50	6·00	5·00
13. Meghalaya . . . . .	3·00	2·96	..
14. Nagaland . . . . .	2·00	2·00	1·50
15. Orissa . . . . .	27·00	27·00	30·00
16. Punjab . . . . .	125·00	125·00	70·00
17. Rajasthan . . . . .	47·00	39·00	15·00
18. Tamil Nadu . . . . .	95·00	95·00	15·00
19. Tripura . . . . .	1·00	5·20	2·50
20. Uttar Pradesh . . . . .	451·00	500·00	100·00
21. West Bengal . . . . .	50·00	73·50	120·00
Total States . . . . .	1599·33	1566·22	754·00
Total UTs. . . . .	6·05	5·04	..
All India . . . . .	1605·08	1571·26	754·00

@Annual Plan 1972-73, Planning Commission March, 1972.

\*Estimated.

Notes:— The figures in this statement include, besides new irrigation (without being discounted for depreciation) existing area classified as irrigated areas on which irrigation is improved and the area benefited by drainage and embankment schemes.

## APPENDIX 'F'

(Vide para 2-87)

*Statement showing the dates on which proposals regarding Special Minor Irrigation Programme were received from the State Governments/Area Officer, dates on which the proposals were cleared by Internal Finance Division and dates on which sanctions were issued*

S. No.	Name of State	Date on which proposals reg. Special Minor Irrigation Programme were received by the Internal Finance Division from the State/Area Officer	Date on which proposal was cleared for administrative approval	Date on which administrative approval was issued	Remarks
1	2	3	4	5	6
1	Punjab	12-8-72 (Consolidated approval from Area Officer on the basis of discussions with State Government representatives)	18-10-72 31-10-72 31-10-72 31-1-73	30-8-72 2-9-72 5-10-72 31-10-72 14-11-72 18-11-72 31-1-73	Amounts released after processing different items on the basis of further details/clarifications.
2	Assam	26-8-72 30-1-73	{ 2-9-72 21-9-72 27-2-73	2-9-72 22-9-72 28-2-73	
3	Haryana	12-8-72 28-9-72 10-11-72 24-1-73	30-8-72 { 4-10-72 18-10-72 17-11-72 31-1-73	30-8-72 4-10-72 18-10-72 18-11-72 31-1-73	
4	Maharashtra	18-8-72 8-9-72 18-12-72	28-8-72 14-9-72 { 18-9-72 18-9-72 4-1-73	28-8-72 14-9-72 18-9-72 22-9-72 4-1-73	

1	2	3	4	5	6
5	Madhya Pradesh	..	28-8-72	28-8-72	
		5-10-72	21-10-72	23-10-72	
		6-10-72			
		10-10-72			
			2-11-72	4-11-72	
			21-12-72	30-12-72	
6	Himachal Pradesh	21-9-72	28-9-72	5-10-72	
7	Bihar	..	29-8-72	29-8-72	
		..	20-9-72	20-9-72	
		..	20-10-72	20-10-72	
		..	3-11-72	3-11-72	
		8-1-73	17-1-73	18-1-73	
		19-1-73	9-2-73	17-2-73	
8	Kerala	28/29-9-72	18-10-72	19-10-72	
		21-12-72	28-12-72	30-12-72	
9	Andhra Pradesh	..	30-8-72	30-8-72	
		14/17-9-72	22-9-72	22-9-72	
		..	23-10-72	23-10-72	
10	Gujarat	6-9-72	12-9-72	13-9-72	
		25-10-72	2-11-72	2-11-72	
		27-10-72	10-11-72	14-11-72	
		27-10-72	16-11-72	18-11-72	
11	Mysore	23-8-72	30-8-72	30-8-72	
		13-9-72	3-9-72	14-9-72	
		23-8-72	27-9-72	27-9-72	
		..	27-9-72	5-10-72	
		23-8-72	27-9-72	23-10-72	
		4-11-72	7-11-72	7-11-72	
12	Tamil Nadu	27/28-9-72	18-10-72	18-10-72	
		27/28-9-72	23-10-72	24-10-72	
13	Nagaland	10-8-72	2-9-72	2-9-72	
14	Manipur	24-8-72	2-9-72	2-9-72	
		24-8-72	15-9-72	15-9-72	
15	Orissa	9/10-8-72	29-8-72	29-8-72	
		1-9-72	26-9-72	27-9-72	
		..	11-9-72	7-11-72	
		1-12-72	14-12-72	30-12-72	
16	Rajasthan	..	8-9-72	8-9-72	
		13-10-72	4-11-72	4-11-72	
		15-1-73	29-1-73	30-1-73	
17	Tripura	29-8-72	2-9-72	2-9-72	
18	Uttar Pradesh	6/7-8-72	28-8-72	28-8-72	
		14/15-9-72	11-10-72	13-10-72	
		12/14-9-72	24-10-72	25-10-72	
19	West Bengal	10-8-72	26-8-72	28-8-72	
		20-3-73	27-3-73	27-3-73	

**APPENDIX 'G'***(Vide para 3.29)**Statement showing stocks of fertilisers in the States on 1-2-1973* ('000 tonnes)

State	Stocks as on 1-2-1973		
	N	P	K
1. Andhra Pradesh . . . . .	16.00	10.00	7.00
2. Kerala . . . . .	2.60	3.70	2.80
3. Karnataka . . . . .	6.50	4.20	2.50
4. Tamil Nadu . . . . .	12.54	5.73	1.10
5. Pondicherry . . . . .	0.10	0.17	0.06
6. Delhi . . . . .	0.54	0.07	0.07
7. Haryana . . . . .	8.87	4.38	2.60
8. Punjab . . . . .	47.76	26.68	9.83
9. Jammu & Kashmir . . . . .	3.41	2.69	6.97
10. U.P. . . . .	10.00	1.30	6.70
11. H.P. . . . .	1.53	1.00	0.68
12. Assam . . . . .	..	0.10	0.50
13. Bihar . . . . .	6.99	6.25	4.12
14. Orissa . . . . .	3.08	0.75	0.60
15. West Bengal . . . . .	1.00	0.40	0.05
16. Manipur . . . . .	0.24	0.07	0.11
17. Tripura . . . . .	0.34	0.03	0.05
18. Nagaland . . . . .	0.1	0.01	0.02
19. Meghalaya . . . . .	..	..	..
20. Gujarat . . . . .	1.30	2.75	0.18
21. Madhya Pradesh . . . . .	11.44	8.83	3.46
22. Maharashtra . . . . .	17.00	6.10	2.24
23. Rajasthan . . . . .	0.64	1.51	0.36
24. Goa . . . . .	0.10	0.30	0.20
25. Tea Board . . . . .	..	..	..
<b>Total . . . . .</b>	<b>152.08</b>	<b>87.04</b>	<b>52.20</b>



**APPENDIX 'H'**  
(Vide para 3.29)

**T. P. SINGH**  
**SECRETARY**

D.O. No. 3-20/72-M(Coord.)  
**SECRETARY**  
**MINISTRY OF AGRICULTURE**  
**GOVERNMENT OF INDIA**  
**NEW DELHI, DATED THE**  
**10TH NOVEMBER, 1972.**

My dear

Our Commissioner for Fertilizer Promotion while touring some States recently discovered that stocks of fertilizers were lying unused for a considerable period of time, in some of the godowns of the State Cooperative Marketing Federations. In fact, at one place, he found stocks of C.A.N. lying unused, in the godowns of the Federation, for 10 years. At the present juncture of relative inadequacy of total fertilizer supplies, all available—old and new stocks, should be mobilised for use.

In this connection I would like to draw your attention to our letter of even number dated 29th August, 1972 from Shri M. A. Quraishi, Special Secretary, to the Secretaries of your Agriculture and Cooperation Departments with a copy to the Registrar of Cooperative Societies. Anticipating that some old stocks may be lying unused with the State, he had requested for collection of information about the stocks lying with the cooperatives and plans for the quick disposal of these stocks during Kharif, 1972. The situation was to be reviewed every fortnight and we were to be informed of the efforts made in this regard. Since the situation is serious, I would request you kindly to look personally into this aspect and arrange to collect immediately information on the stocks lying with the cooperatives and take necessary steps to dispose of these stocks during the current Rabi. I shall be grateful for an early reply from you regarding the action taken in this regard.

Yours sincerely,  
Sd/- (T.P. SINGH).

Copy for information to the Director of Agriculture.

## APPENDIX 'T'

(Vide para 5.84)

*Statement showing the States who asked for additional funds during January-February, 1973, details of proposals and action taken thereon.*

Name of States who asked for addl. funds during Jan.-Feb., 1973 for minor irrigation Schemes	Details of proposals justifying demand for additional funds	Action taken on proposals received from the State Govt.
--	---	---

1	2	3
1. Assam . . . . .	A loan of Rs. 0.15 crore was asked for purchase of threshers for distribution to cultivators. The Cultivators had started cultivating wheat but were not conversant with using bullock power for threshing wheat.	The loan was released to the Government of Assam on 28-2-73.
2. Haryana . . . . .	A loan of Rs. 2.00 Crores was granted to the State Government for energisation of 5,000 additional tubewells.	The loan was released to the Government of Haryana on 31-1-73.
3. Bihar . . . . .	Energisation of tubewells, purchase of aluminium pipes for water distribution and Bamboo borings, hand-pumps and a cavity borings.  Purchase of emergency river pumping sets.	A loan assistance of Rs. 0.58 crores was released to the State Government on 18-1-73.  A loan of Rs. 0.10 crore was released on 17-2-73.
4. Mysore . . . . .	Scheme regarding additional acreage under the Malprabha Canal System.	A loan of Rs. 0.40 crore was released on 7-11-72.
5. Rajasthan . . . . .	Energisation of additional wells and pumpsets.	A loan for Rs. 0.50 Crore was released on 30-1-73.
6. West Bengal . . . . .	Scheme for Shallow Tubewells with pumpsets.	A loan of Rs. 0.33 crore was released on 27-3-73.

**APPENDIX 'J'**

(Vide para 6·21)

*Statement showing original allocation, revised allocation and increase/decrease in allocation to various States for special minor irrigation programme under EAPP.*

Name of State	Original allocation	Revised allocation	Increase or Decrease made
Name of Scheme			
(1)	(2)	(3)	(4)
	(Rs. in lakhs)		
<b>GUJARAT</b>			
(i) —Extension of Ukai Canal . . . . .	125·00	150·00	25·00(+)
(ii) —Sinking of 100 tubewells . . . . .	125·00	..	124·00(—)
(iii) —Purchase of rigs . . . . .	50·00	..	50·00(—)
(iv) —Deepening of existing wells . . . . .	100·00	250·00	150·00(+)
<b>ORISSA</b>			
(i) —Reservoir Scheme including purchase of rigs . . . . .	235·00	255·00	20·00(+)
(ii) —Lift irrigation Schemes . . . . .	160·00	155·00	5·00(—)
(iii) —Energisation of Tubewells . . . . .	193·00	190·00	3·00(—)
(iv) —Cross Bunds . . . . .	27·00	20·00	7·00(—)
(v) —Field Channels . . . . .	5·00	..	5·00(—)
<b>KERALA</b>			
(i) —Installation of 100 deep tubewells . . . . .	125·00	116·00	9·00(—)
(ii) —Purchase of stand-by diesel pumpsets for electrified tubewells. . . . .	300·00	309·00	9·00(+)
<b>BIHAR</b>			
(i) —Energisation of 12500 tubewells . . . . .	500·00	30·00	30·00(+)
(ii) —Purchase of aluminium pipe for water distribution for state-tubewells. . . . .	10·00	·00	5·00(+)
(iii) —Bamboo borings, hand pumps and cavity borings. . . . .	100·00	123·00	23·00(+)
<b>PUNJAB</b>			
(i) —Installation of 100 deep tubewells . . . . .	125·00	116·00	9·00(—)
(ii) —Purchase of sandy diesel pumpsets for Electrified tubewells. . . . .	300·00	309·00	9·00(+)

(1)	(2)	(3)	(4)
<b>RAJASTHAN</b>			
(i) —Revitalisation of wells by boring blastings. . . . .	28.25	31.25	3.00(+)
(ii) —Electrification of new localities of energisation of wells. . . . .	326.75	304.00	22.75(—)
(iii) —Taccavi for pumpsets . . . . .	..	14.25	14.25(+)
(iv) —Land levelling in Chambal Command Area. . . . .	..	4.00	4.00(+)
<b>UTTAR PRADESH</b>			
(i) —Construction of 4000 miles of Kutchu Guls and outlets . . . . .	200.00	373.00	173.00(+)
(ii) —Construction of 2700 outlets & 1000 sypons and canals . . . . .	30.00	14.00	16.00(+)
(iii) —Electrification of additional 25000 pumpsets . . . . .	1250.00	960.00	290.00(—)
(iv) —Construction of 220 additional States tubewells . . . . .	175.00	308.00	133.00(+)
<b>WEST BENGAL</b>			
(i) —Lift Irrigation Scheme . . . . .	350.00	425.00	75.00(+)
(ii) —Shallow Tubewells with pumpsets . . . . .	450.00	479.00	29.00(+)
(iii) —Energisation of pumpsets . . . . .	300.00	196.00	104.00(—)

**APPENDIX 'K'**

*(vide para 6.22)*

*Statement showing additional schemes proposed by State Governments after September, 1972, dates on which proposals were received from State<sup>1</sup> Governments/ Area Officers, dates on which approved by Centre and justification therefor*

Sl. No.	Name of State	Additional Schemes proposed by State Government after September, 1972	Date of receipt from the State Government/ Area Officer	Date of approval by the Central	Justification
1	2	3	4	5	6
1	Punjab	Installation of 5000 additional tubewells	31-10-72	31-10-72	To bring large tracts of land under irrigation.
		Purchase of stand-by diesel pumpsets	10-11-72	14-11-72	Due to shortage of power and failure of rains.
		Do.	10-11-72	18-11-72	Do.
		Installation of additional diesel pumping sets.	14-12-72	31-1-73	Due to high demand of diesel engines in the area.
2	Assam	Purchase of threshers	30-1-72	27-2-73	Due to cultivation of wheat and the cultivator not being conversant with using bullock power for threshing wheat.
3	Haryana	Installation of 150 Tubewells in Ambala and also purchase and installation of 30 diesel generating sets.	10-11-72	18-11-72	Considered necessary for increasing agricultural production.
		Energisation of 5000 additional tube-wells.	24-1-73	31-1-73	Do.

1	2	3	4	5	6
4	Maharashtra	Cooperative Lift Irrigation Schemes.	18-12-72	4-1-73	Due to difficult situation due to drought in the State.
5	Madhya Pradesh	Installation of pump-sets in connection with Special Minor Irrigation Programme in the State.	..	4-11-72	For augmenting irrigation facilities.
		Installation of departmental pump-sets by the State Government.	16/17-11-72	30-12-72	For providing irrigation facilities for rabi crops.
6	Bihar	Installation of State Tubewells and energisation of Tubewells through the State Electricity Board.	..	3-11-72	For augmenting irrigation facilities.
		Energisation of Tubewells, purchase of aluminium pipes for water distribution Bamboo borings, hand pumps and cavity borings.	8-1-73	18-1-73	Do.
		Purchase of emergency river pumping sets.	19-1-73	17-2-73	Do.
7	Kerala	Additional Minor Irrigation Schemes.	21-12-72	30-12-72	For implementation of additional minor irrigation schemes in the State.
8	Andhra Pradesh.	Additional Schemes for lift irrigation and improvement of Gurrdupuvagu tank.	..	23-10-72	For augmenting irrigation facilities.
9	Gujarat	Purchase of rigs	25-10-72	2-11-72	Due to non-availability of rigs with the State P.W.D.
		Sinking of new Kacha wells and deepening of existing wells by blasting etc.	27-10-72	14-11-72	For augmenting-irrigation facilities.
		Purchase of rigs and for lift irrigation scheme.	27-10-72	14-11-72	Do.

1	2	3	4	5	6
10	Mysore	Scheme regarding additional acreage under the Malprabha canal system.	4-11-72	7-11-72	Increasing area under irrigation.
11	Orissa	Reservoir scheme including lift irrigation and purchase of rigs.	1-12-72	30-12-72	For augmenting irrigation facilities.
12	Rajasthan	Drainage works in Chambal Command Area and renovation of works programme.	13-10-72	4-11-72	For augmenting irrigation facilities.
		Energisation of additional wells and pumpsets.	15-1-73	30-1-73	Do.
13	West Bengal	Scheme on shallow Tubewells with pumpsets.	20-3-73	27-7-73	For augmenting irrigation facilities.

## APPENDIX 'L'

(vide para 6.22)

*Statement showing the States whose proposals for additional schemes were entertained and approved, reasons for approving the Schemes and financial outlays therefor.*

Name of State whose proposals for additional Schemes were entertained and approved	Specific reasons for approving the Schemes	Financial outlay (In crores)  Rs.
1. Punjab	To bring large tracts of land under cultivation and installation of 5000 tubewells. . . . .	1.25
	To purchase stand-by diesel pumpsets . . . . .	2.00
	Do. . . . .	1.90
	To purchase additional diesel pumping set . . . . .	1.25
2. Assam . . . . .	To purchase threshers for wheat cultivation. . . . .	0.15
3. Haryana . . . . .	To install 15 Tubewells and 30 diesel generating sets . . . . .	2.00
	Energisation of 5000 additional tubewells . . . . .	2.00
4. Maharashtra . . . . .	For providing loan assistance for the Cooperative lift irrigation Scheme . . . . .	0.38
	For installation of departmental pumpsets . . . . .	0.28
6. Bihar . . . . .	For installation of State tubewells and energisation of tubewells through the State Electricity Board . . . . .	6.08
	For energising tubewells, purchase of aluminium pipes for water distribution and Bamboo borings, hand-pumps and cavity borings . . . . .	0.58
	For purchase of emergency river pumping sets . . . . .	0.10
7. Kerala . . . . .	For implementation of additional minor irrigation Schemes in the State . . . . .	0.50
8. Andhra Pradesh . . . . .	For additional Schemes for lift irrigation and improvement of Gurrupuagu tank . . . . .	0.0950
9. Mysore . . . . .	For increasing acreage under the Malprabha canal system . . . . .	0.40
10. Orissa . . . . .	For strengthening reservoir scheme including lift Irrigation and purchase of rigs . . . . .	0.20
11. Rajasthan . . . . .	For energisation of additional wells and pumpsets . . . . .	0.50
12. West Bengal . . . . .	Scheme for shallow tubewells with pumpsets . . . . .	0.33



## APPENDIX 'M'

### *Summary of main Conclusions/Recommendations*

Sl. No.	Para No.	Ministry/Deptt. concerned	Recommendations/Conclusions
1	2	3	4
1	7.1	Ministry of Agriculture	From a study of the Report of the Comptroller & Auditor General of India on the Emergency Agricultural Production Programme and an analysis of the evidence tendered before the Committee, there emerges a clear conclusion that the entire programme was largely un-realistic and its implementation sadly defective. There was justification, no doubt, for the Central Government's anxiety to improve rapidly the performance of Indian agriculture which continues to be the sheet-anchor of our economy. But it saddens the Committee to find that the programme was formulated in haste, on the basis of incomplete and sometimes incorrect estimates and a number of wish-fulfilling assumptions which proved to be exaggerated and impractical. Some of the more conspicuous shortcomings of the programme, which reflect badly on our whole system of planning, have been discussed in the following paragraphs.
2	7.2	Do.	The Committee fear that the emergency programme was launched in August 1972 almost as "a panic measure", reflecting

something like a loss of nerve at the widespread failure of rains during the last fortnight of July and the first four days of August 1972 and continued drought in several parts of the country. Thus a 'crash' programme had to be hurriedly implemented that is, in about eight months during the 1972-73 rabi and 1973 summer seasons, to recoup the anticipated loss in the production of foodgrains during the kharif season, which was estimated initially at 10 to 12 million tonnes. These estimates of the loss in kharif production were based on no better than some 'scrappy' reports received from the States and generally incomplete information. The reappraisals made subsequently, however, disclosed that the estimates made earlier were unduly pessimistic.

The increases in foodgrain production during the rabi and summer seasons envisaged at the time the programme was evolved were also patently over-optimistic and had no relation whatsoever to realities. The Committee are surprised that in a short period of one rabi and one summer season, Government sought to achieve under the emergency programme what could not be achieved in any of the previous years. The exaggerated nature of the projections made under the programme would be evident from the fact that during the three years prior to the formulation of the programme, production of wheat in the country had increased only by 7.7 per cent, 18.6 per cent and 10.8 per cent respectively, while the emer-

gency programme sought to increase wheat production by as much as 37 per cent. Again, the production of summer rice was to be increased by 114 per cent, over the previous year's production. Similarly, it was envisaged that production of gram would be increased by about 40 per cent over the level of 1971-72 when, in fact, production of pulses had not increased at all over the last decade. In respect of rabi jowar, the increase anticipated was over 46 per cent and involved the doubling of the yield per hectare. It is also of interest to note that 25 per cent of the total increase in the production of foodgrains had been envisaged in Andhra Pradesh, Karnataka, Maharashtra and Rajasthan, despite the prevalence of drought conditions in these four States. It is incomprehensible how Government could have, without adequate preparation, considered feasible such an over-ambitious task, particularly in view of the severity of the constraints involved.

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7.4

Do.

That the Emergency Agricultural Production Programme, howsoever desirable in its context, was drawn up unrealistically is also seen in the following facts:

- (a) The power supply constraints, which were already manifest when the programme was conceived 'were not appreciated and taken into account', even though the success of as much as 75 per cent of the programme was dependent on the availability of an uninterrupted and regular power supply;
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- (b) the likelihood of fertilisers required for the programme being in short supply had not been assessed properly, nor were adequate arrangements made for their procurement and distribution, it has also been stated by the Secretary, Department of Agriculture, that the fertiliser supply constraint came 'as a bit of surprise' and that while there was no difficulty in getting fertilisers in July-August 1972, the position changed 'dramatically and suddenly' by November 1972;
- (c) no arrangements had been made for the supply of high-yielding variety seeds by the Central Government except to make available to the State Governments 1.35,000 tonnes of wheat from the stocks of the Food Corporation of India and while doing so, a facile assumption had been made that the wheat procured by the Food Corporation of India could be used as so-called high yielding variety seeds; what was supplied as seeds was only, as stated by the Secretary, Department of Agriculture 'Wheat produced from high-yielding variety seeds and not high-yielding variety seeds';
- (d) no special arrangements had been made by the Central Government for the supply of pesticides;
- (e) in contemplating that the yield of rabi jowar would be doubled in the States where drought conditions existed,

the formulators of the programme had equated the ideal to the average and mechanically transposed the yield per hectare recommended or estimated in the ICAR monograph in their programme, even though it was apparent that the conditions stipulated in the monograph did not exist in the concerned areas; and

- (f) a number of irrigation projects had been sanctioned, under the programme, involving *inter-alia*, the purchase of pump-sets, drilling rigs, diesel engines, etc. which were to be installed, after the completion of the necessary civil works, within a period of just a few weeks.

5            7.5    Ministry of Agriculture

The Committee, thus, are of the view that the emergency programme, involving outlay of about Rs. 250 crores, had been somewhat hastily decided on by Government, without adequate examination of the issues involved. The Committee are surprised that the technical advisers to the Ministry of Agriculture appear to have inflated the possible benefits of the programme on the basis of some simple arithmetical calculations which were hypothetical and perhaps even inherently incorrect. The Committee are not unprepared to concede that the advisers, given a rush job, were working under pressure. Besides, it is not unlikely that basic decisions about targets having already been made by superior authority, they found themselves obligated to offer commensurate projections and hope for the best in so far as execution was concerned. The Committee, however cannot just leave it at that, when on Government's own admission the

programme was neither "well thought out nor well investigated." The Committee desire that lapses, if any, on the part of technical advisers should be fairly ascertained and suitable action taken.

6      7.6 Ministry of Agriculture

The Committee concede that in August 1972 or earlier, there was justification for framing this programme as a measure dealing urgently with a crisis situation. Even so, the Committee find that by September or October, the Central Government were aware that the situation was not as bad as feared earlier. Further, they should have known that the State Governments had not till then made much headway on the works sanctioned. For instance, orders were placed for different items of minor irrigation equipments, at different stages, right through March and it should have been possible to stop further expenditure keeping in mind the possible utilisation of such items. Similarly, where minor irrigation and other works had not even started by October or November, it should have been possible to assess that some of these works would not be of any real benefit to even the summer crop. In the drought-affected States, which are watered mainly by the South-West monsoon, it should have also been possible to assess the relevance of schemes which used surface water. The Committee cannot, therefore, appreciate why the opportunity of reviewing the position and making the programme less ambitious, which was open to Government till October, 1972, was not availed of. In the Committee's view, such

review, if properly made, would have revealed that while the behaviour of the rainfall had been erratic and floods and drought afflicted parts of the country, the shortfall in kharif production was not likely to be as heavy as had been feared, and that on account of shortage of necessary inputs and also the lack of time for effective execution of schemes evolved, the programme was likely to be largely infructuous. The Committee apprehend that Government had virtually ceased to apply its mind to an initially public-spirited project launched with some fanfare but left largely to routine bureaucratic devices.

7            7.7            Do.

The Committee are unable to understand how the Ministry could come to the conclusion that, even though rains had recommenced early in August and it was known that the rainfall upto the end of September had, to some extent, made up the earlier anticipated deficit in kharif production, the overall deficit in the kharif crop of 1972 would increase from the earlier estimates rather than decrease. The Committee can only conclude that Government was incorrectly advised as to the real situation obtaining.

8            7.8            Do.

The Committee feel that it was the responsibility of the concerned officers to offer well-founded advice and to point out, among other things that (a) the estimates of the losses in kharif production were premature and not quite reliable and (b) the objectives and benefits contemplated under the special emergency programme were unrealistic and almost illusory. The Committee desire that a detailed investigation should be undertaken into the role in this regard of the officers in the Ministry of Agriculture and elsewhere who had been en-

trusted with the formulation of the programme and who had apparently failed to render proper and complete advice expected of them. In case such advice had been given by the official concerned and disregarded, the Committee would like to be informed why and by whom it was done.

9            7.9    Ministry of Agriculture

It is also surprising that Government should have embarked upon a venture of such a large magnitude on the basis, as it was said in evidence, of 'public clamour'. While it is essential for Government to be responsive to public opinion, the Committee would like to impress upon Government that no such programme, especially when it involves large financial outlays, should be undertaken without a thorough and detailed examination of its realism and feasibility. The Committee are of the opinion that a less ambitious programme based on available resources and a closely directed effort might have achieved better results.

10           7.10            Do.

It is also a matter of great concern to the Committee that the Finance Ministry was excluded from the deliberations leading to the formulation of the programme and from exercising its legitimate functions of overseeing disbursements proposed for individual schemes. It will be strange indeed if it was done, as it appears from the evidence, under orders from higher echelons of Government. In view of the failure to pursue the programme properly and in view of the instances of diversion of funds that have come to their notice, the



Committee feel that the association of the Ministry of Finance with its formulation and implementation would have improved matters. Its exclusion perhaps meant the elimination of the care and prudence which could have been exercised in the sanctioning and authorisation of expenditure. The Committee are distressed to note that the guidelines issued by the Ministry of Finance for regulating the sanction and release of funds for schemes under the EAPP were honoured more in the breach than in their observance. It is also significant that a very abnormal procedure of obtaining Government approval before obtaining financial concurrence had been adopted for the EAPP, on the ground that an abnormal situation existed when the EAPP was conceived.

11      7.11      Do.

The arrangements made by the Central Government for monitoring the programme also merit mention. The Committee note that seven senior officers of the Ministry of Agriculture had been designated as Area Officers and placed in charge of specific groups of States. The Area Officers were to visit the States allocated to them, examine schemes proposed for the EAPP, make financial allocations on the spot and maintain a close watch over the implementation of the schemes. In addition, a Review Committee of Joint Secretaries had also been established in the Ministry of Agriculture to review the progress of the various schemes and keep the Committee of Secretaries and the Cabinet Secretariat informed.

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12      7.12      Do.

In spite of these apparently elaborate monitoring arrangements, the Committee find that the control machinery did not function often

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and there were failures at all levels. For instance, even when it was known that certain States were not making an effort to increase production during the rabi season or had fallen behind significantly in completing minor irrigation and other works which would yield the desired results, there appeared to have been no attempt at remedying the deficiencies. The seven Area Officers entrusted with the responsibility of overseeing the programme had not properly performed their duties and had not realised the challenging nature of an important assignment in the national interest. Admittedly, the Area Officers attended to these duties in addition to their other normal responsibilities in the Ministry and on account of prior engagements, most Area Officers were not in a position even to visit the respective States in their charge. The checks and controls they could exercise in the field were, therefore, in the very nature of things, insignificant. The Committee also find that the refinements and precautions claimed to have been introduced, to the extent possible, at different stages of the programme proved to be woefully inadequate.

13      7.13      Ministry of Agriculture

The Committee note that numerous examples have been cited in the Audit Report of 'additionality' not having been achieved in actual practice in respect of minor irrigation schemes approved and taken up for execution even though this was expressly enjoined

ed. In many States, individual minor irrigation schemes taken up ostensibly under the emergency programme were only substitutes for the States' own Plan schemes in that year and in a few instances, money was also spent on continuing projects. Evidently, there was a failure of scrutiny by the Area Officers concerned. It is inconceivable that the Area Officers could have satisfied themselves that the schemes cleared by them in the course of barely two weeks were in fact realistic. The Committee would like Government to examine in detail the scrutiny, if any, exercised by each of the Area Officers and determine how far these checks were really effective. The Committee would like to be satisfied that the Area Officers did everything possible to ensure successful implementation of the programme.

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The Committee have been informed of a decision by State Government's representatives that district and block-wise plans, intended to be "action-oriented", would be drawn up and that responsibility for the achievement of specific targets would vest in different functionaries. The Committee are keen to know how far and in what manner this decision was implemented. It would be intriguing if the Ministry of Agriculture had thus washed its hand off any specific responsibility for the accomplishment of EAPP targets. Doubtless, the EAPP had to be implemented through the State Government machinery. Yet, the Committee are of the view that the Central Government should not, and could not, have absolved itself, as it appears to have done, of the obligation of co-ordinating and actively

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			<p>monitoring the fulfilment of an "action-oriented" programme of vital national importance.</p>
15	7-15	Ministry of Agriculture	<p>The Committee are also surprised to find that while the Central Government had planned for an increase of wheat production in Punjab by 8 lakh tonnes and made finance available to that State Government accordingly, the Punjab Government had planned for only an increase of 2 lakh tonnes. Similarly, while the Punjab and Gujarat Government had made no plans to increase gram production, the Central Government had planned an increase in this regard of 1.08 lakh tonnes and 0.10 lakh tonnes respectively in these two States. Against the additional production of 0.46 lakh tonnes of <i>rabi jowar</i> targetted by the Centre in Gujarat no plans had been made by the State Government, as according to them, the sowing season of jowar had already ended. There may be other such instances of lapse, and the Committee would like to be informed as to how the Area Officers concerned had discharged their functions in these two States.</p>
16	7-16	D.O.	<p>The final picture of the co-ordinating arrangements that emerges from the foregoing paragraphs is, therefore, far from complimentary. Notwithstanding the fact that the programme had to be implemented on an emergent basis and could not, therefore, wait for lengthy planning or investigation, the Committee feel that the Central Gov-</p>

ernment should have evolved a more foolproof and comprehensive scheme for monitoring the programme. It appears that Government relied instead on the seven Area Officers of the Ministry who, in any case, could not devote their undivided attention to the implementation of the programme and on the reports, if and when received from the different States.

17            7.17            Do.

Considering that very large increases in the production of food-grains were envisaged within one season, it is obvious that all essential prerequisites for increased production, namely, irrigation, fertilisers, seeds, pesticides etc. had to be made available simultaneously and there was no scope for delay on any one account, since time was of the essence of the Programme. The Committee, however, observe that the measures taken to ensure that all these items were available and, in fact, reached the cultivator in good time proved to be inadequate. Apparently no detailed study of the requirements of various inputs had been undertaken before the Programme was launched. By the time such a study was made, the EAPP was already in progress at full speed and Government could do little to retrieve the situation. It is also distressing that the extent to which other scarce inputs like steel, cement, drilling rigs etc. would be required had not even been estimated when the EAPP was formulated.

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18            7.18            Do.

The Committee are surprised to note that while shortages of fertilisers were reported from most States, some of them, like Maharashtra and Assam, had fertilisers in excess of actual requirements, and most of this quantity had also remained unutilised. It is not

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clear to the Committee why no arrangements had been made to divert surplus fertilisers available in some States to the deficit States, when the shortage of fertilisers became known in November, 1972, thus vitiating proper distribution and optimum utilisation of a vital commodity.

19        7.19    Ministry of Agriculture

The Committee are concerned to note that while embarking on the EAPP, adequate crop protection measures had also not been undertaken. The Committee have been informed that one of the reasons for the non-fulfilment of the EAPP targets was the attack of rust disease on Kalyan Sona wheat in 1972-73. The Committee find that Kalyan Sona wheat had been, earlier in July-August 1971, heavily infested with rust in the Lahaul Valley in Himachal Pradesh (the place where summer nurseries for wheat are raised). In view of the fact that the inoculum in the hills was likely to spread to the plains during the subsequent seasons and attack the crops there and the susceptibility of Kalyan Sona to rust had been established, the Committee feel that the possibility of an outbreak of rust should have been foreseen by the Ministry of Agriculture and adequate preventive measures taken instead of waiting till the large scale attack of rust became evident.

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Do.

Quick implementation of the minor irrigation programme, capable of augmenting irrigation facilities for the benefit of the ensuing rabi

and summer crops, had formed the major plan of the Government's strategy. The Committee are, however, distressed to find that a number of minor irrigation schemes, which obviously were either unlikely to be completed in the short time available so as to be of use during the rabi season or which, inherently, could not be put into operation at all, had been approved for execution under the EAPP. Some typical instances are enumerated below:

- (i) In West Bengal, establishment of 656 lift irrigation stations, involving an outlay of Rs. 4.25 crores, had been sanctioned by the State Government under the EAPP. Against 515 such schemes reported completed upto 24th March, 1973 and which had been planned to benefit an area of 14,000 hectares, test check of 195 disclosed, in October 1973, that only 32 were actually supplying water by 31st March, 1973 to 586 hectares. Pumpsets had been installed at 30 sites where the water available was not even sufficient for testing the pumps.
- (ii) None of the 18 lift irrigation schemes sanctioned in Himachal Pradesh had been completed till January 1974.
- (iii) Only 30 of the 558 lift irrigation projects taken up in Orissa were completed in time for the rabi season and against a target of 13,000 hectares, 5,038 hectares of irrigation potential had been reported to have been created of which only 607 hectares could be utilised for the rabi crop.

- (iv) Only 1 out of the 71 new lift irrigation schemes approved in Karnataka had been completed till March 1973.
- (v) Schemes for lifting water from canals and streams in Andhra Pradesh and for the extension of major projects like Nagarjunsagar, Tungabhadra and the Guntur canal had been approved even when no water was likely to be available during the particular period. Besides, none of the 22 schemes in the State, which were test-checked by Audit, had been completed by the end of March, 1973 or even by 31st May, 1973.
- (vi) Even though field channels were constructed in eight districts of Maharashtra, under the EAPP, for a command area of 1.34 lakh hectares, only 0.19 lakh hectares were actually irrigated, mainly because of shortage of water.
- (vii) Similarly, of 190 works taken up in 8 districts of Maharashtra, test-checked by Audit, for extensions of and improvements to the existing irrigation system, only 97 works were completed by March, 1973 and the irrigation potential of 2173 hectares created, against the target of 8506 hectares, was utilised only to the extent of 963 hectares. The rest was not utilised either because all works were not complete or because of lack of water.



(viii) In Bihar, 500 new State tubewells were to be constructed under the EAPP at a cost of Rs. 547 lakhs. While the State Government had reported completion of 654 tubewells by 31st March, 1973, the progress report prepared by the State Tubewells Organisation, however, showed that only drilling was completed of 654 tubewells. By 31st March 1973, only 368 tubewells were developed and had pumps installed and 464 by 31st May, 1975. The Committee find it difficult to understand how the cost of one tubewell had been computed at more than Rs. 1 lakh and would like to be satisfied that no extravagant estimates had been prepared by the State Government.

(ix) Energisation of pumpsets also formed one of the major components of the Programme, but shortage of power in the northern region, in Uttar Pradesh and Tamil Nadu nullified greatly the benefits of the additional irrigation capacity.

The instances given above are not exhaustive, but only illustrative. In fact, the Report of the Comptroller and Auditor General of India abounds in such instances.

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Do.

The Committee are unable to appreciate how such infructuous activity and such patently haphazard schemes came to be approved. Obviously, adequate care was not taken by the Ministry of Agriculture. Since the Central and State Governments were engaged in a

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			joint national task, there should be no difficulty in meeting the Committee's desire that these and other specific instances of default in the scrutiny of schemes should be investigated and responsibility for it fixed by the Ministry and the Committee informed.
22	7.22	Ministry of Agriculture	The Committee are surprised that the reports by State Governments of achievements in the execution of minor irrigation schemes were not always supported by detailed reports from investigating agencies involved. The Committee would take a serious view of this default and like Government to evolve, in consultation with the State Governments, a suitable mechanism for the foolproof reporting of ground-level results and achievements, particularly in the field of agricultural production and all schemes associated with it.
23	7.23	Do.	The Committee are perturbed to find from the Report of the Comptroller & Auditor General of India that a number of State Governments had not utilised the short-term loans made available to them by the Central Government, under the EAPP, for the purchase and distribution of inputs. For instance, the Government of Rajasthan had informed the Central Government, in January 1973, that it was not in a position to utilise the short-term assistance to the extent of Rs. 100 lakhs. Government of Orissa had refunded Rs. 1 crore out of Rs. 2 crores sanctioned. Rs. 248 lakhs out of Rs. 1250 lakhs allotted to the Uttar Pradesh Agriculture Department had re-

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mained undistributed. Similarly, Rs. 486 lakhs out of Rs. 1000 lakhs sanctioned in Andhra Pradesh had not been utilised. The Committee are gravely concerned to note that the Government of Maharashtra had diverted Rs. 253 lakhs from the short-term loans of Rs. 1600 lakhs for drought relief measures instead without the consent of the Government of India. Fertilisers worth Rs. 422 lakhs had also remained undistributed at the end of March 1973.

24 7-24

Do.

The terms of the sanctions issued for schemes under the EAPP did not allow the mere transfer of moneys or deposits with other State Government organisations like Electricity Boards, State Apex Cooperative institutions, Agricultural Marketing federations, etc. to be treated as expenditure under the EAPP. The Committee, however, find from the Audit Report that, in a number of States, considerable amounts sanctioned for the EAPP and deposited with or transferred to such bodies had remained unutilised on EAPP schemes upto 31st March, 1973. In Orissa, for instance, Rs. 147 lakhs had been deposited with the State Electricity Board. In Punjab, similarly, Rs. 36.90 lakhs had been given to the State Marketing Federation for the purchase of diesel engines and the advance had remained unadjusted. Again, in Assam Rs. 70 lakhs had been advanced to the Assam Agro-Industries Development Corporation for the purchase of diesel and electric pumpsets. The Committee are amazed to learn that information regarding the amounts remaining unutilised out of the funds deposited with other organisations for the execution of EAPP schemes are not even yet available with the Central Government.

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25	7.25	Ministry of Agriculture	<p>Two other glaring instances of violation of the objectives of the EAPP are: (a) the diversion of Rs.100 lakhs in Uttar Pradesh to the U.P. Cooperative Cane Unions Federation for distribution to members of sugarcane cooperative unions, and (b) the sanctioning of 25 lift irrigation schemes, estimated to cost Rs. 427.35 lakhs, in Sangli District of Maharashtra for providing irrigation to the lands of the shareholders of a cooperative sugar factory. The Committee consider this to be an entirely unwarranted proceeding, irrelevant to the wider public interest and irresponsibly pursued. The Committee are of the view that diversion of funds meant for the EAPP to sugarcane, when the very objective of the programme was to increase the output of foodgrains, is inexplicable. In the opinion of the Committee, a peculiar and perverse situation was allowed to develop whereby the State Governments could depart from the prime objectives of the EAPP and find large sums from the Centre for projects which were not directly contributory to the aims of EAPP, namely an immediate growth in the production of foodgrains within a stipulated period.</p>
26	7.26	Do.	<p>The Committee would like to be informed whether all such amounts remaining unutilised with the State Governments or amounts which had been diverted for purposes other than the EAPP have been identified and recovered or adjusted in full from the State Governments concerned. In case this has not been done so far,</p>

the Committee desire that necessary action in this regard should be initiated forthwith under advice to them.

27      7.27      Do.

In this connection, the Committee are distressed to observe an attitude of what can only be termed indifference on the part of the Ministry of Agriculture. It is surprising that the Ministry should have merely remained content with informing the Committee that the Accountants General of the States concerned would recover unspent balances and certify the observance of the prescribed conditions by the State Governments. Recovery is not an Audit function. As the Audit Report has pointed out a number of deviations from the prescribed guidelines and other irregularities detected during test-check, it is not unlikely that there may be more such instances. The Committee desire that all such instances should be investigated in detail and a complete assessment made of moneys provided but not spent for the purpose envisaged under the EAPP, in accordance with the guidelines laid down by the Ministry of Finance. Such moneys should be recovered or adjusted immediately.

28      7.28      Do.

The Committee are perturbed to note that in the matter of purchases also, the urgency with which the entire programme had to be implemented resulted in rules, which would otherwise be inescapable in normal purchase procedures, being relaxed or bypassed or even ignored. However, even despite relaxations in procedures, much of the equipment, machinery or material was not received in time or, if received, could not be utilised to serve the purpose of the EAPP. The Committee find that the cost of certain items, e.g. cars, jeeps, etc. not intended to be debited to the EAPP had,

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in fact, been so debited. It is shocking that even though the Audit Report has highlighted a number of what were deemed irregularities in purchases, the Ministry of Agriculture have not so far received, to the Committee's knowledge, any report from the State Governments regarding such alleged irregularities. The Committee desire that the Central Government should at once institute, in consultation with the State Governments, enquiries into these specific cases where lapses are apparent. As instances pointed out by Audit were noticed by them as a result of test check of records and accounts at random in States, it is not unlikely that there may be similar instances in other States, which Government should investigate likewise and take appropriate action. The Committee would await a detailed report in this regard.

29 7.29 Ministry of Agriculture

The control exercised by the Ministry of Agriculture over the release of funds also deserves mention. Even though the last instalment of 25 per cent of the loans to the States was to be released subject to a review of the normal Plan expenditure and the progress of the emergency programme, the Committee find that this stipulation was not observed scrupulously and the scrutiny that was made proved to be only cursory and inadequate. The Committee are concerned to note that, in January-February 1973, when it was already known that many of the minor irrigation schemes had not made much head-

way and the shortages of fertilisers, etc. had also necessitated a revision of the original food production targets, additional funds were sought to be given for certain minor irrigation schemes. It is also of significance that the Review Committee of Joint Secretaries had felt, in February 1973, that the Ministry of Agriculture was making releases of funds to the States 'on a rather liberal basis' and that, in some cases the additional funds released were not justified by the physical progress of work.

30        7-30        Do.

Another feature of the Emergency Agricultural Production Programme which causes serious concern to the Committee is that a number of State Governments had, on the evidence, made wrong and incorrect statements about areas, production, productivity, etc. What is even more distressing is the fact that lapses and irregularities in the execution of the programme had been noticed to a greater or lesser extent in practically all the States, probably with only two or three exceptions.

31        7-31        Do.

The Committee must express their grave displeasure over the manner in which financial control over the EAPP had been exercised. It is reprehensible that instead of remedying the deficiencies that had periodically come to notice, moneys should have been liberally released irrespective of the fact whether the State Governments were truly carrying out the objectives of the EAPP or not. The Committee feel that the Government of India should, as the authority for providing finances ostensibly intended for vital and specified purposes, devise immediately, in consultation, of course,

with the State Governments, some machinery by which the accountability of the Central Government to Parliament and to the people for moneys made available for specific schemes by the Centre, can be properly ensured.

32      7.32      Ministry of Agriculture

The Emergency Agricultural Production Programme was launched with great expectation of its success. By and large, unfortunately, such expectations have been belied. This, the Committee note sadly, has had a demoralising effect on the country. There can be no doubt that the huge expenditure of Rs. 250 crores, which had not driven commensurate results, has contributed to accelerating the deplorable inflationary trends. In the Committee's view, the Emergency Agricultural Production Programme has been an example of how a programme should not be hastily formulated and then patchily implemented. The Committee can only hope that its lessons have been learnt and that Government will tread more warily and purposefully in future.



