

[Smt. Sushila Rohatgi]

visions contained in Section 22(5), it is now sought to permit the Corporation to provide working capital loans also in special cases. It is, however, proposed to be done on a selective basis in respect of composite schemes where working capital loans is to be given in conjunction with long-term loans. The intention is to cover cases where the Corporation has to provide funds for purchase of inventories which will ultimately form part of capital investment envisaged under such schemes.

There are other miscellaneous amendments intended to rationalise or clarify the existing provisions in the Act.

I would like to point out, before I conclude, that it is necessary to amend the Agricultural Refinance Corporation Act, 1963 along the lines suggested, to facilitate the expansion of business of the Corporation, giving it more the character of a developmental and promotional bank, to remove certain inadequacies in the existing legislation so as to make it up-to-date with recent developments in the Co-operative and commercial banking sectors, and to provide for certain delegation of powers for more expeditious disposal of loan proposals.

Sir, I move.

MR. SPEAKER: Motion moved:

"That the Bill further to amend the Agricultural Refinance Corporation Act, 1963, be taken into consideration."

SHRI C. K. CHANDRAPPAN (Tellicherry): Sir, I fully support this Bill moved by the Deputy Finance Minister because the objects of the Bill are laudable. The Bill seeks to emphasise the developmental and promotional rôle of the Agricultural Refinance Corporation. Also it seeks to enlarge the scope of eligibility of certain institutions to seek direct finance

from the Agricultural Refinance Corporation. Sir, besides these, there are provision by which the Reserve Bank of India would enhance its authorised capital to Rs. 100.0 crores. These are all the objects which nobody would consider bad. These are good. But, Sir, I think, when we amend this Bill, we have to briefly try to assess what was the impact of the work so far rendered by the Agricultural Refinance Corporation. Sir, this Corporation had undertaken so many schemes during the last 13 years of its existence and its achievements are not in anyway small. In the 10th Report submitted in 1973, it is stated that they had to irrigate 5.3 lakhs of hectares of land utilising mostly ground water resources. They have had to set up 97,000 tube-wells. 1,09,000 wells were dug and 2,12,000 pump sets were installed and in the 11th Report it is stated that they had improved the position by spending more money. They have spent nearly Rs. 92.0 crores.

We are now implementing the fifth plan. The hon minister said, the proposal is to spend Rs. 800 crores through this corporation during this period. But she might have forgotten the fact that Rs. 900 crores were visualised before. Rs. 100 crores might have been cut. The annual rate of increase of agricultural production which is only 3 per cent now is visualised to go upto 5 per cent in the fifth plan. Taking all these into account, I submit that the corporation should render meaningful service to increase the rate of agricultural production and help those sectors of people who are weak in the agrarian sector. There lies the failure of the corporation.

The corporation has broadly failed in three ways. Its major failure, as is clear from the reports presented so far including the latest one in February, is in helping the backward areas of the country. I hope people from West Bengal, Nagaland, Orissa and Bihar would speak about the callous

indifference shown by the corporation to their areas, which are industrially, agriculturally and educationally backward and are a heavy weight on the economy of the country. Another criticism has been that the money spent by the corporation, running to hundreds of crores in the last 13 years, has been conveniently cornered by big landlords. There was a national sample survey report on spending by public financial institutions, including this corporation, which says that 90 per cent of the investment in agriculture has been cornered by those who own more than 5 acres. I do not say a person who owns 5 acres is a kulak, but their number is very small. People owning less than 5 acres got only 10 per cent.

When we speak about the implementation of the new economic programme and our concern for the down-trodden, this is the opportunity to hear from the Government how they are going to rectify the serious mistakes committed by this corporation during the last 13 years.

Another important failure which defeats the purpose of this corporation is its incapacity to utilise the resources made available to it. Dr. Hazari, Chairman of the Agriculture Refinance Corporation, says that this corporation never had any difficulty of money. But it had failed in meaningfully spending the money for the development of agriculture. These are the three major failures of the Corporation. I am not trying to minimise the assistance that was rendered by the Corporation. But these are the things which the Government should take note of and rectify.

For the information of the House, I would like to place certain facts about the spending and how it could not do justice to the backward areas. As I said, 90 per cent of the money was cornered by those who owned more than 5 acres of land. The tenth Report which was presented in 1963 says that the Southern, Western and Northern regions have cornered 83

per cent of the total investment of this Corporation. In the Central Zone which includes places like Madhya Pradesh which is a backward area and which definitely deserves more support from this Corporation, the spending was only 14 per cent. And still pathetic is the condition of the Eastern Region like West Bengal and Orissa. They got 4 per cent of the total spending of the Corporation. And, now, you go to the other States i.e. Nagaland, Tripura, Manipur, Meghalaya and the whole of the region beyond West Bengal, there the Corporation spent 0.5 per cent. From this, it is quite clear that the Corporation has failed in providing money to those backward regions for which the Government, the Reserve Bank and other agencies of the Government have allocated money. Whether this amendment would bring about a new change, I do not know, but I heard the Minister saying that it would visualise certain administrative changes or certain structural changes, if you say so. That means, there will be more offices in this country. But the problem is not of setting up more offices in this country and certainly, the problem is not of providing more money to this Corporation. But the problem is of spending this money in such a way that the backward areas and the backward sections of society could be helped. And there, unfortunately, I have to say that that Corporation has failed.

The latest official review which was presented in July, 1975, does not give a different story. It says: "34 per cent of the 660 schemes are for Northern, North-eastern areas like Himachal Pradesh, Jammu & Kashmir, Rajasthan and U.P." I do not know what it means. Instead of giving a clear-cut report about various sectors, this time they gave a kind of report from which you cannot make out anything. I hope, the Minister will clarify whether any money has been set apart for helping the backward regions and backward sections of the people.

[Shri C. K. Chandrapan]

Last time, when another amendment was brought forward by the Government, the hon. Minister then said that the Agricultural Refinance Corporation was meant to give money or grant schemes, and the States should send the schemes or the institutions should send the schemes. But that is a bureaucratic attitude. Shri Y. B. Chavan, who was the Finance Minister at that time said: "It is a highly sophisticated economics, infra-structure and so many things." But here, you are wearing the garb of the Minister to help those people to come up with schemes, so that those areas will be brought to the level of the advanced regions in the country. And then, Sir, several suggestions were made by Dr. Hazari for the improvement of the work of the Agricultural Refinance Corporation. I am not going to narrate all that which he had said; but he has placed certain important suggestions in regard to the future working of the Corporation. It is about the utilization of greater amount of groundwater. He has said that the Corporation should support more schemes in that sector. Another suggestion is that the extension service should be integrated with developmental activities. I think that this amendment, at least theoretically, seeks to do it; but practically, what are the steps that you are going to take to implement it? Then he says—I am quoting him:

"Blind distribution of credit is of no use."

That is what the Corporation is doing. He wanted the proper utilization of credit. Has the Government got any scheme for it? If such proposals are made—apart from explaining the technical nature of the bill—it will be good. What is the Government visualizing to do, positively? In what manner is the Government going to act, so that the impact of the work of this Corporation will be felt by

those people and those parts of the country which are traditionally backward, and even to-day are kept backward in spite of so many Plans and so many schemes and in spite of the existence of such big corporations? I hope that the Minister would explain, when she replies, why this happened, and what are the proposals before the Government to remedy it. One more, last word I would like to add. There should be more diversified projects. This refinance corporation should take up such projects in the agrarian sector. For example, it should take up schemes for reclamation of land. It should take up schemes to support poultry and sheep-breeding as also proposals for dairy farms. It should take up such schemes which would be feasible and would help the development of backward areas. I hope the Minister would enlighten us, when she replies, about all these things. If these are all done and these major weaknesses are wiped out, then this Corporation will be able to do a little useful work for the country. While concluding, I once again would like to draw your attention to the fact that it failed so badly to help the most backward regions in the country. One of the purposes of the Corporation, when it was set up, was to do that; and secondly, it failed to help the most backward sections of the peasantry in the country. On the contrary, it helped, with 90 per cent of its investment, the big landlords in the country. That should be remedied. And then, the proper utilization of credit should be ensured, not a blind distribution of credit. I hope the Government will do some thing about it.

श्री शिवनाथ सिंह (मुनझुन) : अध्यक्ष जी, एग्रीकल्चर री-फाइनेन्स कारपोरेशन में कुछ संशोधन किये जा रहे हैं और इस बिल के अन्तर्गत "एण्ड डेवलपमेंट" शब्दों को भी री-फाइनेन्सिंग के साथ जोड़ा जा रहा है। इसका मकसद यह होगा कि एग्रीकल्चर