

Rise in Prices

963. SHRI SUNIL MAITRA: Will the Minister of FINANCE be pleased to state:

(a) whether he is aware that during the period of 31 months (January, 1980 to August, 1982), prices have gone up by 31 per cent; and

(b) if so, his reaction thereto?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): (a) and (b). The Wholesale Price Index (1970-71 —100) moved up from 227.8 for the week ended January 5, 1980 to 294.0 for the week ended August 28, 1982, which is an increase of about 29 per cent over a period of 2 years and 8 months. The annual rate of inflation on week ended January 5, 1980 was 22.5 per cent. This has been brought down to 2.4 per cent for the week ended August 28, 1982. This has been achieved by a concerted effort of the Government in this direction. In fact, the country's success during this period in moderating inflationary pressures has been better than several developing and developed countries. The price situation is being kept under close watch and control of inflation is an important element of economic policy in the country.

Setting up of Rural Planning and Credit Department in RBI

964. SHRI SUDHIR KUMAR GIRI: Will the Minister of FINANCE be pleased to state:

(a) whether the R.B.I. has set up a new department called the Rural Planning and Credit Department;

(b) if so, what are the functions of this Department;

(c) the total amount of rural credit so far released to the weaker sections during the year 1982-83; and

(d) whether Government are contemplating to relax the credit-squeeze policy in 1983-84?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) Yes, Sir.

(b) The functions assigned to the Department are given in the attached statement.

(c) The data on rural credit released to the weaker sections in 1982-83 is not available. According to the latest available information, the advances of the commercial banks to the weaker sections in the sectors of agriculture and small scale industries were Rs. 493 crores as on December, 1980.

(d) The policy of the Reserve Bank of India in the matter of deployment of bank credit is flexible and is kept continually under review.

Statement

Functions assigned to the Rural Planning and Credit Department of the Reserve Bank of India

1. Lead Bank Scheme including formulation of District Credit Plans.
2. Priority sector advances, credit to weaker sections under special programmes such as Integrated Rural Development Programme Differential Rate of Interest, 20 Point Economic Programme, etc. and Rural Development schemes.
3. The compliance with various sections of the Reserve Bank of India Act, 1934 and the Banking Regulation Act, 1949 in so far as they relate to State Cooperative Banks, Central Cooperative Banks and Regional Rural Banks.
4. Submission of statutory returns under the Reserve Bank of India Act 1934/Banking Regulation Act, 1949 by State Cooperative Banks, Central Cooperative Banks and Regional Rural Banks.