MR. SPEAKER: Or does any Hon. Member want any particular amendment to be put separately? I think, nobody is pressing. I shall now put all the amendments together to the vote of the House.

All the amendments were put and negatived.

PROF. MADHU DANDAVATE: The difficulty is that when contradictory amendments are simultaneously passed, then what will happen?

MR. SPEAKER: I shall now put the Motion of Thanks to the vote of this House.

The question is:

That an Address be presented to the President in the following terms:—

"That the Members of Lok Sabha assembled in this Session are deeply grateful to the President for the Address which he has been pleased to deliver to both Houses of Parliament assembled together on the 18th February, 1982."

The motion was adopted.

12-40 hrs.

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

RESERVE BANK OF INDIA'S REPORTED INSTRUCTIONS TO NATIONALISED BANKS TO STOP ADVANCES TO FARMERS FOR PURCHASING FERTILISERS, ETC.

SHRI JAGDISH TYTLER (Delhi Sadar): Sir, I call the attention of the Minister of Finance to the following matter of urgent public importance and I request that he may make a statement thereon:—

"The reported instructions by Reserve Bank of India to nationalised banks to stop advances to agriculturists and farmers for purchase of fertilisers and farm equipment".

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): Mr. Speaker, Sir,

The Reserve Bank has not issued instructions to the commercial banks to stop advances to agriculturists and farmers for the purchase of fertilisers and farm equipments.

During 1981-82 (March-September), the non-food credit expansion was of the order of Rs. 1714 crores as against Rs. 701 crores in the corresponding period of the previous year. The priority sector accounts for Rs. 1065 crores during 1981-82 (March-September) as against Rs. 530 crores in the previous year.

In pursuance of the need to curb inflationary pressures in the economy, the Reserve Bank had to take certain measures in the current year to contain the volume of credit expansion and to reduce the liquidity in the economy. The impact of these credit policy measures on different banks is continually being assessed by the Reserve Bank so that due priority can be given in the matter of securing better planning and continued flow of credit, particularly to the beneficiaries under the 20-Point Programme. The banks have also been advised to step up their share of priority sector in the aggregate advances to 40% by March, 1985.

A meeting of the Chief Executives of banks, representatives of State Governments and concerned Ministries was taken in November, 1981 to review the credit needs of the weaker sections identified under the

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20-Point Programme and also of the beneficiaries under the Integrated Rural Development Programme. As a follow-up, Reserve Bank advised all the banks that within the parameters given to them and considering their own resources position they should take all possible steps to meet the genuine requirements of these programmes, particularly for the benefit of the weaker sections.

Recently, the Chief Executives were again invited by me to review the position. A Working Group is being set up to lay down the guidelines to be observed by banks for lending to the beneficiaries of the 20-Point Programme.

For securing better planning and continued flow of credit, particularly to small borrowers, Government and the Reserve Bank are continually reviewing the position so that we are able not only to contain the inflationary pressures but also to ensure that the growth of production is maintained.

SHRI JAGDISH TYTLER: Sir, the statement made by the Finance Minister no doubt, in the first paragraph mentions that the Reserve Bank has not issued instructions to the commercial banks to stop advances.

It is the same thing. We have a saying in Punjabi that when the daughter-in-law comes to the house, you cannot tell her anything, but you start telling your daughter and the daughter-in-law automatically listens. So, the Reserve Bank may not have given instructions. But the condition which it has imposed has surely hit the farmer.

Practically, the farming sector employs 75 per cent of the people. Either directly or indirectly, they are involved in agricultural work. 171 million hectares of cropped area is under agricultural sector. They are using 105 lakh tonnes of fertiliser and more than 60,000 tonnes of pesticides. The national income from agriculture runs in crores of rupees. I am sure as per our Prime Minister's 20-Point Programme, nearly 50 per cent of the 20-Point Programme deals directly or indirectly on this. Yet, in spite of the statistics and figures, it is surprising that the Reserve Bank indirectly has put a squeeze on the farmers. Credit is a very important instrument for the development. But the refusal of credit for the essential inputs for agriculture and farm requirements is a slap on the face of 70 per cent of the population which you consider, in your eyes, as not creditworthy.

I would also like to say that the farmers are the best loan-repayers. Sometime back, I remember, I had read a report that was published in Calcutta by one of the banks that most of the big industrial houses, most of the big industries, do not pay the loans back ; but the poor people and the small people who utilise this credit are the one who are the best credit repayers.

I would like to mention the following things which are going to be affected by the credit squeeze. First is the tractor manufacture ; second is the people who are using the tractors ; then come the tractor mechanics, repairs and maintenance men, farmers and agriculturists ; purchasers of fertilisers ; purchasers of seeds for sowing ; purchasers of bulls, cows and buffaloes for dairy farming ; purchasers of poultry and poultry farms ; purchasers of pigs and piggeries and the use of diesel vehicles like Matadors for agricultural and related uses.

This curb on credit will also adversely affect the food production, the dairy production, the farm production, the fertilisers production, the agro-industries and the accessory industries.

It is also going to create unemployment in all the industries connected with the manufacture of the products mentioned above.

It is especially going to effect the poor and the under-privileged and, I an afraid, it is also going to create a doubt in the minds of the people about the implementation of the 20-Point Programme.

I would, therefore, like to request you to withdraw this indirect squeeze.

Before I finish my speech, I would like to put a few questions to you. It is a long list of questions. But I have to put those questions.

(1) Whether the Government has considered the fact that due to the major recession and the imposition of curbs on credits, the fertiliser industry, the tractor industry and other agro-based industrial Units have been adversely affected.

(2) Whether the man in the street who is dependent for food on agriculture is also seriously affected because of the Reserve Bank's indirect curb on credit, specially the retail credit to farmers.

(3) What steps are being taken by the Government for issuing direction for the clearing of agricultural credits ?

(4) Whether the Reserve Bank of India's curb on retail credit to agricultural intended as a part of Government's anti-inflationary package measure, is in reality killing agricultural production.

(5) Since, by adopting this method, there will be lesser agricultural production and consequent shortage of food which results in higher prices and inflation which again would hit the farmers hard, whether the very purpose of the Government's efforts to control inflation is defeated.

(6) Let us, for instance, take the tractor industry. Has the Government considered the far-reaching effect of these credit curbs which would necessarily involve accessory Units and the workers therein and the tractor mechanics and the repairers and, of course, the farmers and the agriculturists of India ?

(7) Whether the Reserve Bank's credit is in consonance with the aims for higher productivity especially in the far field of agriculture and fertiliser manufacture.

(8) Whether the Government has removed agricultural equipment and support therefor from its priority list of essential credit support areas.

(9) Does the Government realise that the Reserve Bank's credit curb would mean a very weak agricultural production ?

(10) Whether the Government has considered the frustration, the anxieties and the difficulties of the farmers and the agricultural group in this regard. On the one hand, we are working for self-sufficiency in food. On the other, we are restricting agricultural production by imposing such credits. How does the Government rationalise this ? With holding of credit is going to seriously affect agricultural production and specially the poor and the weak farmer, who has been able to make both ends meet by taking advantage of these credits only. Will the Hon. Minister be pleased to state how the Government intends to help the poor farmers ?

(11) Is the Government aware that (*Interruptions*) all of the 76 food surplus districts in the country have been adversely

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affected by these credit curbs ? The people who use diesel-driven tractors, who use fertiliser for farm development, the fringe workers who are dependent on these uses, the farmers who need seeds for sowing and bulls and cows for dairy farming and in poultry farms as also many of the agro based Projects, will all be seriously affected. What does the Government propose to do for them ?

(12) Since most purchases by these agriculturists depend on retail finances, the squeeze on retail credit would take away their life blood and their urge to make India self-sufficient in food production. What does the Government propose to recompensate the agriculturists ?

I would like to add one more point. Most of the Hon. Members deliver speeches and usually those speeches are treated as part of the debate and nothing is done about them.

I would like to have a categorical assurance from the Hon. Finance Minister that there would be a relaxation of these credit curbs to farmers so that all the problems that I had mentioned in my above questions would be solved and the farmers would be benefitted.

MR. SPEAKER: That is the only operative part as of his question. The Hon. Finance Minister would please answer it.

SHRI PRANAB MUKHERJEE: In the observations of the Hon. Member, a number of points have been referred to. Firstly, I would like to clarify one point.

PROF. MADHU DANDAVATE (Rajapur): Charity begns at home.

SHRI PRANAB MUKHERJEE: I could have started from the Punjabi proverb that he mentioned. The same proverb is equally applicable in Bengal also.

THE MINISTER OF AGRICULTURE AND RURAL DEVELOPMENT AND CIVIL SUPPLIES (RAO BIRENDRA SINGH:) The daughter-in-law is the Reserve Bank in this case.

SHRI PRANAB MUKHERJEE: I do not know whether it is daughter or daughter-in-law.

It is true that we are pursuing a restrictive credit policy as part of anti-inflationary measure, but at the same time it is equally true—and I have already mentioned this as part of my budget speech on Saturday—that it does not mean that credit requirements in the productive sector would be denied. If we look at the total percentage figure, the Hon. Member would appreciate that this year it is 1.5 per cent more—with the present indication, what we have got, it would be 19 per cent at the end of March—compared to that of last year. So far as the figures are concerned, I am coming to those. But at the same time he has raised certain points affecting certain industries particularly. There too my reaction would be that I have already taken up. Take the case of tractors. It is not merely because credit is not available that the tractor industry is facing problem. It is equally true that the prices of tractors have been increased substantially. Therefore, the Governor, Reserve Bank, has asked the tractor manufacturers to provide him with some necessary information on the basis of which a decision can be taken, and I do hope—obviously, it is my hope ; I have yet to see the total implications of this ; in the budget proposals which I explained on last Saturday, I specifically took care—that the input duty concession which has been given to the tyre industry would get reflected in the tractor because, there, the concessional rate has not been changed ; on the other hand, certain concessional duties in the inputs will be made available to them and it is the natural expectation that this duty concession would get reflected in the

ultimate price of tractors. We are trying to work out what would happen.

In regard to fertiliser, similarly, I have instructed the banks ; I have mentioned in my statement also ; when I had a meeting with the Chief Executives of the commercial banks, I told them that they would have to work out a plan so that the priority sector was not affected. For that, a Study Team has already been appointed and they are working out ; and I do hope that they will come forward with their recommendations.

For the information of the Hon. Members I would like to give some figures to indicate that, in spite of the Government's policy of selective credit, the actual credit flow to the priority sector has increased ; I am not mentioning about the food procurement credit because if I take that into account, it would be reasonably high ; even in non-food credit, to show to what extent it has increased, I am giving figures ; these are from September, to September: In September, 1979, it was Rs. 16,818 crores ; in September, 1980 it was Rs. 19,836 crores ; in September, 1981 it was Rs. 24,731 crores. I have the break-up of the figures also—agriculture, small scale industries, other priority sectors, industry—medium and large—, wholesale trade, Cotton Corporation, Food Corporation, Jute Corporation—these also help the agriculturists. The total figures I have given will show that, in spite of the selective credit policy, the credit-flow to the non-food credit sector has increased substantially an in terms of percentage it is expected to be of the order of 19 per cent at the end of the current year ; it is 1.5 per cent more compared to that of the last year.

The second point the Hon. Member has mentioned is that they have given a number of suggestions, whether those suggestions would be acted upon. They would be acted upon. In fact, even before the suggestions came, after I had a meeting with the Chief Executives of the banks, I instructed the Department that particularly one area—on which there was a Call-Attention here and my colleague, the Agriculture Minister, answered the other day—would be sugarcane.

We shall have to ensure that adequate credit is made available to the sugar industry so that the growers get their prices and it acts as an incentive to produce more in the next season. Otherwise, our experiences had been that if they do not get their price, they will not go in for sugar cane and the country will have to face a problem. Therefore, it is not merely when the suggestions come.....

PROF. N. G. RANGA (Guntur): It is needed for cotton also.

SHRI PRANAB MUKHERJEE: But cotton is fairly controlled because of the two schemes. The Cotton Corporation is intervening as also the Maharashtra Marketing Federation. But, so far as sugar cane is concerned, it is highly decentralised and we shall have to ensure that not merely credit is provided to the mills to pay to the growers but also to have somesort of arrangements through which we can ensure that the growers get the money. It is not merely that the mills get money but that money from the mills should pass on to the growers and for that also I have taken it up with the various State Governments where the sugar industry is there. You have not mentioned this point, but in anticipation that some members might mention it, I have replied to it only to substantiate that not merely when suggestions come we react but we not only react but sometimes we act on it.

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In regard to the number of points the Hon. Members have mentioned, it is not the intention that the agricultural sector should not get the due share. Not only the agricultural sector should get its share. But even if you take the food procurement credit, my colleague will agree with me that compared to last year it has increased anormously, and that is also providing indirect support to the agricultural sector—indirect financing of 16%. We have already reached the 16%. We have told them that we do not want indirect finance but we want direct financing of the agricultural sector to reach 16% of the total credit and 40% of the credit in the priority sector. So far as the present rate is concerned, I do hope that it will be possible for us to reach that target. But, keeping that in mind, we cannot forget that if we simply do not have the discipline and a selective credit policy and allow an unrestricted credit policy, it would not be possible for us to check the inflation and in that case also, the growers, the farmers, the agriculturists and the weaker sections will suffer. Therefore, here we shall have to strike a balance and each individual case of the priority sector is to be looked into and we are doing that job.

SHRI DARUR PULLAIAH (Anantapur): For reclamation of land also the banks are not giving loans.

MR. DEPUTY SPEAKER: The House now stands adjourned to meet at 2-00 p.m. We will continue the Call Attention.

12-58 hrs.

The Lok Sabha adjourned for Lunch till Fourteen of the Clock.

The Lok Sabha re-assembled after Lunch at five minutes past Fourteen of the Clock.

[MR. DEPUTY-SPEAKER *in the Chair*]

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE—CONTD.

RESERVE BANK OF INDIA'S REPORTED INSTRUCTIONS TO NATIONALISED BANKS TO STOP ADVANCES TO FARMERS FOR PURCHASING FERTILISERS, ETC. CONTD.

श्री राम बिलास पासवान (हाजीपुर) : उपाध्यक्ष महोदय, मन्त्री महोदय ने अपने जवाब में कहा है कि उर्वरकों और कृषि उपकरणों की खरीद के लिए कृषकों और फार्म वालों को ऋण देना बन्द करने के बारे में भारतीय रिजर्व बैंक ने वाणिज्य बैंकों को कोई निर्देश जारी नहीं किए हैं और बाद में भी मन्त्री महोदय ने इस पर सफाई नहीं दी कि हकीकत में यह बन्द किया गया है या नहीं ? जहां तक हम लोगों की जानकारी है, यह बन्द कर दिया है। इसे बन्द करने के पीछे यह तर्क दिया जाता है कि इतना अधिक लोन पहले से ही किसान को दे दिया गया है कि उसका सबएलोकेशन पूरा हो गया है।

कहीं भी, किसी भी बैंक का मन्त्री महोदय रिकार्ड मंगवा लें और देख लें कि पिछले 3 महीने के अन्दर कितना आपने किसानों को ऋण दिया है ? सबसे दुखद बात यह है कि जब बैंक नैशनलाइजेशन हुआ था तो उस समय किसानों और छोटे-छोटे लोगों को गारन्टी दी गई थी कि जब तक प्राइवेट बैंक रहते हैं, तब तक आपके इन्टरेस्ट की उपेक्षा की जाती है, इसलिए बैंकों का नेशनलाइजेशन किया गया था। लेकिन अब ऐसा लगता है कि बैंक नेशनलाइजेशन के समय

जो सरकार ने वायदे किये थे किसानों और छोटी-छोटी इन्कम वालों से; उनसे अब सरकार पीछे हटती जा रही है और वित्त मन्त्री का जो वर्तमान बजट है, इसने बिल्कुल साफ कर दिया है कि इनके बजट में उद्योगपतियों की लाबी काफी कारगर हुई है और किसानों का इन्टरेस्ट उसमें मारा गया है ।

जब हमने अपनी प्रतिक्रिया में कहा कि शायद यह उद्योगपतियों द्वारा बनाया गया बजट है, या उनके डिक्टेशन या दबाव में आकर बनाया गया बजट है या आई० एम० एफ० के द्वारा बनाया गया बजट है, तो यह किसी के दिमाग में आया या नहीं, लेकिन जब इस बात को देखते हैं कि किस-किस को लोन दिया है या छूट दी है और उसमें किसान कितना लाभान्वित हो रहे हैं, तो यहां दो पहलू हैं। एक तरफ किसान हैं और दूसरी तरफ इन्डस्ट्रियलिस्टस हैं, एक तरफ किसान 80 प्रतिशत देश का भाग हैं, दादा-पड़दादा के जमाने से जो किसान काम कर रहा है, उसका पोता भी आज वही काम कर रहा है, उसके पास कोई दूसरा आल्टरेनटिव साधन नहीं है लोन के लिए, उसके लिए आपके पास कोई व्यवस्था नहीं है । व्यवस्था हैं उद्योगपतियों, फाइव स्टार होटल वालों और बड़े-बड़े लोगों के लिए। अभी आपने जो छूट दी है किस-किस पर दी है—स्कूटर पर, मोटर पर, लेकिन आपने ट्रेक्टर पर या ट्राली पर छूट नहीं दी है। ट्रेक्टर और ट्राली कौन इस्तेमाल करता है ? यह किसान की चीज है। टायर्स का रेट आपने बढ़ा दिया, अन्ततोगत्वा किसान पर उसका प्रभाव पड़ेगा। इसलिए लगता है कि सरकार की नीति जो बैंक नेशनलाइजेशन के समय निर्धारित की गई थी, वह धीरे-धीरे अब उसमें संशोधन करने जा रही है ।

रिजर्व बैंक का गवर्नर आई० जी० पटेल बिल्कुल किसान विरोधी है । पता नहीं वह आपके मन्त्रालय के डायरेक्शन पर बोलते हैं या प्रधान मन्त्री के डायरेक्शन पर। प्रधान मन्त्री की नियत पर हम शंका नहीं कर सकते हैं, प्रधान मन्त्री ने तो यहां तक कहा है कि पानी के बदले खून देने के लिए तैयार हैं। हम मांग करते हैं कि पानी ही दे दो काफी है, खून की बात छोड़ो, लेकिन पानी मिलेगा नहीं, फर्टिलाइजर के दाम बढ़ाते जायेंगे, जो किसान की जीवनोपयोगी वस्तुएं हैं, उन पर आप दिन-रात भार लादते जा रहे हैं और दूसरी तरफ यह भी दावा करते हैं कि हमने किसानों के लिए यह किया है। बजट में मंत्री महोदय ने कहा कि किसानों के लिए यह करने जा रहे हैं या किया है, लेकिन कंकरीट में किसान के लिए कुछ नहीं हुआ है। जो आपका 80, 85 प्रतिशत भाग है, उसके लिए आपने कुछ नहीं किया है। जो सहायता राशि आपने दिया है, वह कितने उद्योगपतियों को दिया है और कितनी किसानों के लिए दी है। सबसे बड़ी बात ब्याज के रेट की है, किसानों को आप रेट देते हैं 14.5 परसेंट और उद्योगपतियों को भी 14.5 परसेंट ब्याज पर देते हैं, इंडस्ट्री में तो सब कुछ सिक्युर है। उसकी इन्शुरेंश है। यदि किसी प्रकार का नुकसान होगा, तो सरकार उसको पैसा देगी। लेकिन किसान की स्थिति ऐसी नहीं है। अगर ओला पड़े, तो उसकी फसल बर्बाद हो जायेगी, सब कुछ खत्म हो जाएगा ।

जहां तक आई. एम. एफ. का सम्बन्ध है, उन लोगों का उद्देश्य यह भी हो सकता है कि हिन्दुस्तान का कृषि-उत्पादन धीरे-धीरे

(श्री राम बिलास पासवान)

इतना कम हो जाए कि अन्ततोगत्वा उसको अनाज के लिए अमरीका और दूसरे देशों पर आश्रित होना पड़े और उसकी सारी अर्थ-व्यवस्था चौपट हो जाए। 1950 में इस देश पर विदेशी कर्ज 300 करोड़ रुपये था, जबकि आज वह 13,000 करोड़ रुपये से ज्यादा हो गया है। देशी कर्ज भी 40,000 करोड़ रुपये से ज्यादा है। यह सरकार की खराब नीतियों का दुष्परिणाम है। अगर सरकार ने उन नीतियों पर रोक न लगाई और हिन्दुस्तान के बहुसंख्यक भाग–किसानों, जो हिन्दुस्तान की रीढ़ हैं, जिन पर पूरे देश का भार है, की आर्थिक स्थिति को सुधारने और उनकी समस्याओं को सुलझाने की कोशिश न की, तो कर्ज का यह बोझ बढ़ता चला जाएगा। आज स्थिति यह है कि जो बच्चा मां के पेट में है, वह भी कर्जदार हो गया है, और जो जन्म लेता है, वह भी कर्जदार है। यह कहना मुश्किल है कि इस कर्ज की सीमा क्या होगी।

मंत्री महोदय ने बजट भाषण में नेशनल बैंक आफ एग्रीकल्चरल एण्ड रूरल डेवेलपमेंट की बात कही है। मगर वह बैंक तो अभी अस्तित्व में नहीं है और पता नहीं कि वह कब अस्तित्व में आयेगा। आज स्थिति यह है कि नेशनलाइज्ड बैंक किसानों को ऋण नहीं दे रहे हैं। यह सरकार हल्ला बहुत करती है और काम कम करती है। हम लोगों ने रिजर्व बैंक के गवर्नर के वक्तव्य का तीव्र विरोध किया और कहा कि वह किसान-विरोधी बात क्यों कह रहा है बजाए इसके कि सरकार उसके विरुद्ध एक्शन लेती, उसके द्वारा ऐसे स्टेटमेंट दिए गए, जिनसे उसे प्रोत्साहन और प्रोटेक्शन मिले। यहां पर अधिकांश लोग किसान के घर से हैं और सब के पास कुछ न कुछ जमीन है। इस सदन में किसानों के बारे में रोज चर्चा होती रहती है। लेकिन हम देखते हैं कि एग्रीकल्चर मिनिस्टर सारी जिम्मेदारी फिनांस मिनिस्टर पर डाल देते हैं, फिनांस मिनिस्टर कहते हैं कि विषय एग्रीकल्चर के अन्तर्गत है और किसानों के उपकरणों के मामले को इंडस्ट्रीज मिनिस्टर की जिम्मेदारी बताया जाता है। इस तरह किसानों का सब तरफ से नुकसान हो रहा है।

पिछले वित्त मंत्री ने जो इकानोमिक पैकेज की एनाउंसमैंट की थी, उसमें उन्होंने यूरिया का दाम 350 रुपये प्रति टन बढ़ा दिया और डीजल का दाम 32 पैसे प्रति लीटर बढ़ा दिया। राज्यों ने बिजली के रेट बढ़ा दिए हैं। यह सारा भार किसानों पर पड़ रहा है। जनता पार्टी की सरकार ने, जिसको ये लोग बहुत गालियां देते हैं, फर्टीलाइज़र का दाम 100 रुपये प्रति-टन कम किया था।

प्रो० मधु दंडवते (राजापुर) : पहले साल में।

श्री राम विलास पासवान : उसका नतीजा यह हुआ कि फर्टीलाइजर का इस्तेमाल 26 प्रतिशत बढ़ा था और उसके फलस्वरूप 132 मिलियन टन अनाज के उत्पादन का वर्ल्ड रिकार्ड कायम किया गया था। यदि सरकार फर्टीलाइजर के दाम बढ़ायेगी, तो किसान उसका कम इस्तेमाल करेंगे, जिससे खेतों में फ़र्टीलाइज़र कम डाला जायेगा और उससे उपज कम होगी। यह मोटे हिसाब की बात है।

श्री आर० एन० राकेश (चैल) : लेकिन वह इनकी समझ में नहीं आती।

श्री राम विलास पासवान : आती तो है, लेकिन उसके मुताबिक कार्यवाही नहीं होती।

मेरा एक चार्ज और भी है। सरकार जो छूट या रियायत देती है, वह बड़े किसानों के लिए देती है। छोटे किसानों, भूमिहीन मजदूरों के लिए कोई सुविधा नहीं है। जब सिक्युरिटी या जमानत का प्रश्न आता है तो वह जमानत कहां से लाए ? हम लोगों के समय अन्तयोदय कार्यक्रम चला था। आज वह भी फेल हो गया है। प्रत्येक व्यक्ति से सिक्युरिटी मांगी जाती है, लेकिन छोटे किसान सिक्युरिटी नहीं दे सकते। जब सरकार सब प्रकार के उत्पादन के लिए प्रोत्साहन दे सकती है, तो वह गुड़ और खंडसारी के लिए प्रोत्साहन क्यों नहीं दे सकती ? ऐसा नहीं है कि मन्त्री महोदय या सरकार के दिमाग में यह बात न हो। लेकिन मैं जानना चाहता हूं कि आप पाजिटिव क्या चीज करने जा रहे हैं क्योंकि जो स्टेटमेन्ट आपने दिया है उसमें तो कुछ भी नहीं है। हम तो खोज रहे थे कि कुछ मिल जाए लेकिन नहीं मिला। एक ही आन्सर दिया गया है कि हमने निर्देश नहीं दिए हैं। लेकिन क्या आपने यह पता लगाया है कि ऐक्शन में क्या हो रहा है। ? निर्देश गया या नहीं लेकिन व्यावहारिक रूप में क्या हो रहा है ?

मैं आपके माध्यम से सीधा प्रश्न पूछना चाहता हूँ कि आपने कुल कितना ऋण दिया है और उसमें से कितना प्रतिशत किसानों को दिया है ? कृषि के लिए आपने कितना ऋण एलोकेट किया और उसमें से अभी तक कितना वितरित किया गया है ? क्या यह सही नहीं है कि बैंक नेशनलाईजेशन के समय आपने किसानों से जो वायदे किए थे उनको पूरा करने के बजाए आप पूंजीपतियों के दबाव में आकर उत्पादन बढ़ाने के नाम पर किसानों को मार रहे हैं। एग्रीकल्चर-बेसड इण्डस्ट्रीज वह चाहे काटेज इण्डस्ट्रीज हों या स्माल स्केल इण्डस्ट्रीज़ हों, उनका सारा का सारा भार खेती पर है। वह बड़े-बड़े बिजनेसमैन को आप मत दीजिए। सरकार एजेन्सीज के मातहत आप उनका सुपरवाईजरी काम करवाइए लेकिन उनका सारा का सारा मुनाफा किसानों के पास जाए छोटे किसानों के पास जाए। क्या इस तरह की एग्रीकल्चर-बेसड इण्डस्ट्रीज खोलने की आपकी कोई प्लानिंग है ?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE) : Sir, I do not know what particular clarification the Hon. Member has sought. Obviously, if it is a rehearsal for his budget speech I have nothing to comment. The first point which I would like make is that it is not correct to say that the individual is anti-farmers. The Governor of the Reserve Bank of India is not anti-farmers. He is a very distinguished economist and perhaps Mr. Paswan should not have forgotten that he was appointed when his party was in power.

Secondly, he has said that the Government is denying the assurances given at the time of nationalisation and we are not providing the necessary assistance to the agriculture sector. In this connection, I have already quoted some figures. For the information of the Hon. Members, I can repeat those figures. I am just now quoting the figures from September 1979, because those are the latest available figures.

Upto September 1979, the assistance given to agriculture was Rs. 2464 crores; September 1980, it increased to Rs. 3122 crores; September 1981, it further increased to Rs. 4130 crores. Therefore, you would notice that the figures

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are increasing and it is known to the Hon. Members that the target which we have fixed, of 16% of the credit going to the agriculture sector is followed. The Hon. Member has also made a point regarding agriculture based industry. I am not taking into account the advances made to the jute industry which is mainly depending on agriculture, textile industry which is basically depending on agriculture and the sugar industry which is also depending on agriculture. I am not taking into account the money advanced to the Cotton Corporation of India or to the Jute Corporation of India or to the various commodities in which the Hon. Members from Kerala are interested. It is no use just talking about these figures. You have to take into account the totality of the picture. I have indicated that 40% of the credit allocated to the priority sector should go to the agriculture sector by March 1985 and the progress which we are making and the indications which are available to us show that we are going to that direction.

The Hon. Member has talked of fertilizer consumption. In 1978-79, it was 51.2 lakh tonnes; in 1979-80, it was 52.6 lakh tonnes; in 1980-81, it was 55.8 lakh tonnes and in 1981-82, it is expected to be 66 lakh tonnes. It is not decreasing. Your argument was that the consumption of fertiliser is decreasing, but I want to point out that the cold printed figures tell something different from what you quoted.

SHRI KRISHNA KUMAR GOYAL (Kota) : But the Minister for Agriculture has accepted that the consumption of fertilizers has declined. (*Interruptions*).

SHRI PRANAB MUKHERJEE : This is my simple observation that the figures which I have show that it is not decreasing. Obviously, the consumption should increase more. One can always say that in a country like ours, with a population of this size and agriculture playing an important role in the economy, consumption should increase much more. There is no denial of that fact.

The other point was in regard to pricing and other matters. We will get an opportunity to discuss it in greater detail and I feel that this was only a rehearsal of his speech; the Hon. Member will make a full speech with all the arguments at his command during the budget discussions and I will reply to that.

There is only one more point. If the Hon. Member had listened carefully when I replied to Shri Tytler, he would have understood the position. The tyre which will be used in the tractor has been exempted from the increased duty. Neither have listened carefully to my budget speech nor the points made by me in reply to Shri Tytler. Not only that, I also explained that there will be some reduction in the prices, because they will get the concession which will be available to other tyre manufacturers in regard to the exemption of duty on the inputs. On the inputs, I am reducing the duty, on the finished products, I am increasing it in order to draw a balance, but the tyres which will be used for the tractors are exempted. Therefore, the logical consequence would be that the prices of the tyre which is being used for the tractor would be reduced. They will be entitled to have the input concession on the one hand, and on the other, the present duty has not been increased on them.

Then, in regard to the target I have already mentioned. The total overall figures which I have with me for the first half of the current year indicate that 62.5% of the incremental gross non-food credit went to the priority sector. It is true that we

are pursuing a selective credit policy and in a given situation we are bound to do so. It is nobody's case that credit is easy, but the only limited point that I want to emphasise is that in respect of the selective credit policy or the tight money policy, as they call it, our emphasis is to see that the priority sectors are not starved of the necessary credit. That does not mean that the credit flow is as smooth as it was earlier. If we want to have it, there will be no control on inflation. You cannot have it both ways. You will have to apply selective credit policy, and at the same time in the priority sector you will have to ensure that the industry does not suffer, or the consumer sector does not suffer because of lack of money. That is why I mentioned earlier that on a case to case basis we are examining it. In respect of tractors, we are examining, what are the credit requirements. Certain information has been sought for from the manufacturers; and it is not merely because of credits. Sometimes if the prices are too high, them merely by making credit available, you cannot assure that it will be available to the consumers or to the users. As I have indicated earlier, we are taking care of all those problems. I myself had a meeting with the Chief Executives of the Nationalised Bank and told them that these are the priority sectors were within the board policy framework they have to provide necessary credit to them in the best possible manner and they have to ensure that it is done. I hope it will have its effect.

SHRI RAJESH PILOT (Bharatpur) : Mr. Deputy-Speake, Sir, I know most of my points have been covered by my Hon. colleagues. The Finance Minister is very right in saying that he has not issued any ns tructions, but the way he has done it, it is a clear instruction. The Finance Ministry has told the Bankers that from 1st April 1980 to 31st March, 1981 whatever investment a particular branch has done, they are not to exceed this year more than that limit. So that is the main problem from where we start. When the Government from a policy, it has a very good intention. There is no doubt about it. They want to help the poor farmers ; they want to help every farmer, but the bankers play their own role. For a banker it is very easy to give loan against a tractor, because tractor is a very safe item. He mortgages his land, he mortgages his tractor. So it is very easy. So, all the bankers fulfil their targets very soon and the figures are shown to the Finance Minister that loan has been distributed to the farmers. That is how the things went wrong. I am happy that the Government has realised very early that this thing has gone wrong. Now they have fixed a credit limit to farm equipments and fertilisers. I would also bring to the attention of the Finance Minister that in fertilisers also, the bankers gave more loan to the fertilisers dealers than to the farmers because they were dealing in fertilisers. So, all the bankers gave higher credit to the fertiliser dealers and the farmer was no—where helped. In this modification I hope the intentions are right, but I don't know how far they will move in the right direction. I would like an assurance in this regard from the Finance Minister.

In any bank you have a deposit. The system is that eight per cent of the total deposit has to be cash reserve and the balance i.e. 35% is supposed to be SLR i.e. Statutory Liquid Reserve. The left over is 57%. They have now issued instructions that 40% for priority sector, 16% for agriculture and out of that 50% for marginal farmers and the weaker sections and 12.5% for other weaker sections. It is a very good decision. There is no doubt

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about it. But what I personally feel is that the limits which were given between this period to the big people or to the big industrialists, are we going to revise that? Once you have given a limit to a big industrialist say of 12 or 15 lakhs for that particular period, that limit continues and the amount is same. There they have fixed the limit that the total money should not exceed their investment during this period i.e. between April 1980 to and March 1981. If the limit continues, do you think the intentions can ever be achieved? Either you increase the limit or increase the amount or you exceed the limit. Limits are still there. Those people who have managed their limits are big people, fertiliser dealers or of farm equipment. They are maintaining that limit. Take action to see that their limit is reduced so that the balance can go to the weaker farmers. That is one point to be considered.

I have a few other points which I would like to bring to the notice of the Hon. Finance Minister.

First is whether the Government is prepared to streamline the system of lending? Whatever system at the moment we are following is very very prone to corruption. Bankers have their agents. They get their relations and friends appointed as agents of pumping sets, farm equipment, fertilisers and the money is not given to the farmers. It is given to the agents personally and by hand while the farmer signs in the bank. He puts his thumb impression, he puts his signatures on the papers, but the money is collected by a third person. This is the practice that is going on in the banks, So, I would ask the Hon. Finance Minister what action he is going to take to streamline the system to check this practice to see that the concerned person is getting the loan himself and that it is not given to a third person? I can cite any number of such instances where it has happened. Particularly in my own constituency 35,000 people applied for a loan and in the last one and a half year only 500 applicants have got the loan. When people want that their applications should be processed without undue delay, they get into the wrong practice and get their job done through wrong means. And that is where we fail in our policies and that is where our intentions become unsuccessful.

The second point is about monitoring. At present our system is that the targets are sent so different branches. Lead banks are selected. They are given priority sectors. This much for fram sector, this much for agriculture, poorer sections, Harijans. And the figures are given back. The paper work is first class. There is no doubt about it. If Rs. 100 crores is to be given to the weaker sections, it is done on paper all right. But I ask, are we monitoring that it is going to the right persons? He is giving assurance here that Rs. 1,200 crores have gone to the Harijans, Rs. 500 crores to the farmers. But this assurance is not going to satisfy us, nor the needy people. The Government has to see that the money actually goes to those people for whom it is actually intended. Therefore, monitoring is a must for us. So, my question is what the Hon. Finance Minister is going to do about the monitoring system? I think the present system, whatever he has, has failed. He has to bring in some modifications in the system so that it works properly. And I would like to know what those modifications are.

Shri R. Venkataraman on the IMF debate had mentioned earlier that in his instructions to the Bankers he had said that this limit is valid except for non-food items. I would request the Hon. Finance

Minister to include non-export items also in his instructions to the Bankers because we want to increase exports to earn more and more foreign exchange. This is what we have been saying in our discussions every now and then.

Forthly, they select the lead banks ; they select the Directors of the Bank. Till such time we have right people at the right place, we are not going to achieve the results. Now the directors are not correctly acquainted with the job they are supposed to do. And the real farmer in the field does not get any person who can understand their problems properly. So, I would request the Hon. Finance Minister to revise his policy to see that there is correct representation of the people in the Banks. We should have one farmer, one scheduled caste as Directors on the Banks so that we have right people to get right results.

Fifthly, there is need for surprise checks. The Government should have a squad to check the banks, check the system how they are distributing the loans ; what system are they following. At least if we have surprise checks at ten places, we will get one or two places where we can improve the system ; or if nothing, at least there will be some psychological fear that same squad might catch you so that they work properly and finish their job properly. In case the Hon. Minister is short of staff, I may assure him some of the young MPs are ready to do the job. If he wants us to do the job, we will go and do the squad business in any part of the country and give him the examples where the system is not working well. We are ready to take up the job, if he so wants.

Sir, I have read a lot in the magazines and newspapers that the youngest Finance Minister has taken over now. I hope the Hon. Finance Minister will keep up the reputation and prestige of the word 'young' and move progressively and energetically to bring about improvement in the system.

SHRI PRANAB MUKHERJEE : Sir, I would immediately respond to the suggestion of the young MP, to involve the young Members of Parliament from both sides....

MR. DEPUTY-SPEAKER : Mr. Pranab, you are the youngest Finance Minister and he is the youngest Member of Parliament.

SHRI PRANAB MUKHERJEE : At least one of the youngest, no doubt.....to improve the services in the banking sector. In fact this is one of the points which I took up with the Chief Executives. Here it is not merely the involvement and assessment and cooperation from the Members of Parliament which is needed, but also cooperation from the organised trade unions.

It is very much necessary because in the banking sector we have very powerful trade union organisations. And if they don't cooperate, it would be very difficult to maintain discipline and to carry the message of nationalisation to the people and to the consumers. But unfortunately, I am sorry, my trade union friends should not misunderstand me, we have developed a culture that an institution is not meant for the people, but for its employees. Therefore, in spite of the fact that the bank employees are having representations in the bank boards, where decisions are being taken, if you go at any recess time to the banks, you will find lot of slogans, discussions, posters, meetings everything taking place there. I don't find any reason for this when all the trade unions have representation in bodies where decisions are taken.

I am sorry I have so ask; "Who is the management ?" We have

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reached a stage when the bank manager cannot shift a Clerk from one seat to another. This is also a fact. In general terms, we can say that banks are not doing their job. But we shall also have to look into the question why can't they ? Why are these kinds of complaints of corruption coming ? No amount of inspection can help, unless we can bring about some sort of social commitment, and it cannot be done without the active and effective cooperation of the trade unions.

(*Interruptions*)

I am not only sitting with them. I am placing them in the decision-making body. They are taking the decisions—where the decisions are evolved.

Forget about other industries. I am confining myself to banks. We are having it here since the days of nationalization. Why is there this complaint ? Why are commitment and involvement not there ?

I am not interested just in exchanging opinions. Everybody is unhappy particularly about the service centres and not about the production centres. So, I will welcome any suggestion.

In regard to export, for the information of the Hon. Member, I can say that already we are having a separate institution for providing credit for export. As I mentioned, the Export-Import Bank is going to function shortly.

In regard to his question, viz. whether the benefits are actually going to the persons concerned or reaching the lowest stratum of society, we have limitations. After all, the figures and information which we get from the various field formations—we have to depend on them. And it is not correct to say that they are not reaching. They may not reach them to the full extent, or to the desirable extent. But substantially, they are reaching, which is getting reflected in better performance and better production. But this is an exercise which we shall have to make constant.

About the various other suggestions which the Hon. Member has made, I have taken note of them.

MR. DEPUTY-SPEAKER : Mr. Nihalsinghwala is not there. Now Mr. B.V. Desai.

SHRI B.V. DESAI (Raichur): Being the last speaker, I have got all the disadvantages of not having any points to place before the Hon. Minister. Anyway, some of the feelings which I have got in my mind regarding credit to be advanced to the farmer—I would like to place them before him.

Credit to the farmer has got a very quixotic history. In fact, in the '50s., a farmer was not even allowed to enter any Indian bank. He was not given any credit. In fact, I have read a circular from the Reserve Bank of India in 1961, asking for an explanation from a progressive bank as to why they had advanced to the agricultural sector, when it was not eligible for it.

So, it has taken a complete round. By 1968, the same Reserve Bank issued a circular saying that it was a priority sector, and credit should be advanced to the farmer. It is a happy turn. That is the reason why, when our nation went back to the farmer of our country, he bailed the nation out from the begging bowl. It is he who brought us out from PL-480. Let us not forget that.

We have now to come to the point wherein the question of the farmer's sustenance is there. He

brought to much of production to the credit of the nation. He is being talked about very lightly, on the questions of price structure, remunerative prices, credit etc. In so many respects, the farmer has been disproportionately biffercated, in the sense that in the city, anybody can have sufficient property, and his credit-worthiness will be there, to enable him to obtain any loan; whereas the farmer, under the existing fiscal laws of the country, has been reduced to the situation wherein he will not be able to purchase his own implements, let alone, tractors, because our banks go directly by credit-worthiness of the person who wants credit. So, naturally there is no doubt that all the farmers cannot afford tractors and implements, which are very costly. So, what we are seeing now is that not only implements and tractors, but fertilizers have also become very costly ; Not only that. Due to credit squeeze, which the Hon. Minister has very well denied—but then he knows ; he may be a new Finance Minister, but in other fields he has already seen it—the directions of the Reserve Bank or Finance Ministry are invisible ; and the English language is so elastic that it can carry any meaning, whatever may be the words used. So ; I can read between the lines, from the reply which the Hon. Minister gave.

MR. DEPUTY-SPEAKER: When he was Commerce Minister, he was facing the same situation.

SHRI B. V. DESAI : Any way, it was before the Budget. At least now, I feel that whatever may be the silken way of the controls which Reserve Bank had on nationalized banks for advancing credit for fertilizers, tractors and other farmers' avocations, they should be revoked.

Secondly, he mentioned that the fertiliser consumption in our country has increased during the last three years. Yes ; it has increased no doubt, by approximately 5% a year. He has quoted 51.2, 52.6, 55.8 and 66 lakh tonnes. When we take into account the increase in irrigation potential during these four years, and the high yielding seeds and agricultural inputs we have in about 40 million hectares, I think this trend is very disturbing. So, I feel that the Hon. Minister should not brush aside this aspect very lightly ; because we have to reach a big target, so far as food production is concerned, by the turn of the century. As explained by our Minister in the morning, about 225 million tonnes of foodgrains have to be achieved by the end of the century. That is what he means. If we want to achieve it, we cannot brush this aside. We have to see that fertilizer consumption is increased, more than what it is doing now.

Let us see the trend of increase in food production during the last three years. No doubt it is more. But it is not that much which we expect it to be. So, there are so many things which we have to do. I hope Hon. Minister will take note of them—particularly so, regarding credit to be advanced to the farmer. Let him not be very miserly in this regard, because farmers will pay him back, unlike so many, industrialists. If one industrialist becomes bad or sick, he is equivalent to one lakh farmers. After all, in the entire South, under the existing laws, hardly ten acres is the ownership of an agriculturist. If at all crop loans or fertilizer loans are to be given, it is only to the extent of ten acres. Even the bad dept ratio in the case of farmer is very low; and the Hon. Minister will bear me out in this regard. So, I request him to be a little bit more, rather very liberal in advancing loans—not only in not allowing the Reserve Bank or the other affiliates under him to squeeze credit. He should be liberal in asking them to advance loans. What he

[Shri B. V. Desai]

has suggested is 16% of loans to agricultural sector. They should achieve that target. Otherwise, there is no alternative.

Thank you.

SHRI PRANAB MUKHERJEE : I can assure the Hon. member that neither I nor anybody in the Govenment takes lightly the problems of the agriculturists and farmers; particularly no Finance Minister can afford to do so because the management of the foodgrains is the biggest problems the management of the Indian economy. Therefore, that is not the point. What I want to clarify is the point raised by Mr. Paswan. I gave those figures and at the same time I said, that it is not that what we have done is explained and there is no room for improvement; I myself said, considering the size and potentalities of our agricultural economy, this level of consumption is not at all satisfactory and it must increase.

Similarly, if I say that the credit to fertilizer industry has increased from R. 214 crores to Rs. 300 crores, that does not mean that we have reached a very satisfactory level. What I want to emphasise is that it is gradually increasing and we are fully aware of the problem. That is why I mentioned that, though the selective credit policy which we have to accept in order to fight inflation and to keep the price level within a reasonable level, within that broad policy framework, we shall have to see that the priority sector, particularly the agricultural sector does not suffer from credit requirement. So, that point is taken care of. I do agree with him that it is not that we have achieved a very high level of satisfaction in the agricultural production. Even in certain areas, as the Hon. member is fully aware of cotton, for quite some time, we are stagnating also; the production is varying from 17 to 18 lakhs bales; and if we want to have the projected growth which has been mentioned in the 6th Plan Document, we must increase the production of the cash crop; we must increase the production of foodgrains and other types of agricultural commodities. Oil seed is an area where we are lagging behind and after all the country has to pay very heavily by importing about a million tonnes. So, it is nobody's case that no massive investment and safe investment is not needed in the agricultural sector. This is precisely the reason why emphasis has been laid on having irrigation as number one in the revised 20-point programme. So, those points are taken care of : and we are trying to do it, but, at the same time he has suggested to me not to be a miser; I do not want to be a miser provided the situation permits me to be liberal, and to whatever extent I can be liberal I try to be liberal.

We have suggested to the Reserve Bank about it. Apart from suggesting to the Reserve Bank, I myself took the meetings with the Chief Executives of the Nationalised Banks and instructed them to come forward with the programme identifying each area of the 20-point programme in what best possible manner they can provide the necessary credit requirement in these sectors.

MR. DEPUTY SPEAKER : Next item. The Finance Minister has to make a statement.