

SHRI YESHWANTRAO CHAVAN : I said it in so many words. उपयोग हुआ है।

SHRI SURENDRA MOHANTY : May I know the total servicing charges for these accumulated debts and the amount of Central grants to the State of UP ?

SHRI YESHWANTRAO CHAVAN : I can give the details in regard to the servicing charges, because they differ from State to State.

MR. SPEAKER : The main question was about the loans only.

SHRI SURENDRA MOHANTY : That means servicing conditions also.

SHRI YESHWANTRAO CHAVAN : For example, for the block loans for the State plans, the period is 15 years. The interest rate per cent per annum will be 4½. I have got similar details. These are really the servicing conditions.

SHRI SURENDRA MOHANTY : What is the difference between the servicing charges and the actual Central grants to the Government of UP ?

SHRI YESHWANTRAO CHAVAN : Up to January, 1971-72, the Central loan budget was Rs. 102 crores. Payments made by the State Government were Rs. 45 crores, and the interest was about Rs. 22 crores. So, the hon. Member can see the conditions from this.

श्री राम सहस्र पांडे : ओवर ड्राफ्ट की समस्या के समाधान के लिए आपने सेल्फ जेनरेटिंग इकोनोमी की बात कही है।

The hon. Minister has said that he is going to create self-generating resources. What are those self-generating resources which he is going to provide to the States by which they are going to generate their own resources as a result of which the overdraft problem could also be solved ?

MR. SPEAKER : The main question is only about overdrafts. This supplementary question does not arise out of it, and as a matter of fact, this is not relevant.

SHRI S. M. BANERJEE : May I know whether it is a fact that the UP Government had to take this loan from the Centre and had also to have resort to overdrafting because of the need to develop the underdeveloped areas of the eastern UP districts and also to give some relief to the teachers and Government employees who were agitating for better service conditions and better wages and if so, in view of the backwardness of UP, and the fact that half of UP practically is backward, not educationally but actually in the matter of industries and other things, may I know whether these loans will be written off or some financial aid will be given to UP for the betterment of the people of UP ?

SHRI YESHWANTRAO CHAVAN : There is no question of writing off of the debts.

SHRI S. M. BANERJEE : May I know whether aid will be given.

MR. SPEAKER : The hon. Minister has given a categorical answer already.

SHRI S. M. BANERJEE : Let him not write off the loans, but at least let him give aid to the State. Otherwise, all our plans will not succeed, and none of our plans will be successful.

Interest of Nationalised Banks in Agricultural and Neglected Sectors

*70. **SHRI BIRENDER SINGH RAO :** Will the Minister of FINANCE be pleased to state :

(a) whether interest of Nationalised Banks in Agriculture, small-scale industries and other hitherto neglected sectors has slowed down recently;

(b) if so, the reasons therefor; and

(c) the reaction of Government thereto ?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN) : (a) to (c). There has been some slowing down in the rate of growth of advances to these sectors in the second year after nationalisation. There has, however, been no lack of interest of the banks in extending their assistance to these sectors. The slow down has occurred mainly because of organisational constraints on the capacity of the banks to undertake financing of these sectors. The position is reviewed from time to time and the banks have been asked to give continual attention to this task.

SHRI BIRENDER SINGH RAO : May I know the extent of slow-down and the amount of credit made available in the agricultural sector during the current year and in the previous year ?

SHRI YESHWANTRAO CHAVAN : I shall try to give as much information as possible, but I do not know how much enlightening that will be for the hon. Member. There are two ways of looking at this; one is from the point of view of the number of accounts, and the other is from the point of view of the amounts outstanding. These are the two ways in which one can see the position. I shall first give the position in regard to the number of accounts. At the end of June, 1969, there were 2,06,777 accounts, by the end of June, 1970, the number of accounts rose to 5,83,738. By June, 1971, it rose to 8,01,035. There was a sharp rise in the first two years. During the six months up to December, 1971, the number rose from 8,01,035 to 9,24,138. That means that there was certainly an increase, but the rate of increase is not as high as it was in the first two years. There is a good reason for this, because in the beginning, particularly, in the neglected sectors, there were no accounts, and, therefore, there was immediately a spurt in the number of accounts and a suddenly high rate of increase but this rate cannot be maintained at the same level for years together. At the same time, there were certain organisational difficulties to which I made a reference, because it was necessary to open the branches, and it was also necessary to have the necessary trained personnel to go into this sort of

thing. So, there was that constraint on the rate of growth. We are pursuing this matter further, and I hope that we shall be able to improve the conditions.

SHRI BIRENDER SINGH RAO : I would like to know whether there has been a similar reduction in bank credit to other sectors such as the heavy industries or medium industries. May I also know whether in view of the organisational difficulties, Government did take adequate steps to see that the hopes raised amongst the farmers during the first year or the second year were properly met and preparations were made in that regard ?

SHRI YESHWANTRAO CHAVAN : I do not think that there was any reduction in the other sectors. Naturally, when a certain amount is available as credit for all the sectors, put together, there will have to be a little more emphasis on proper distribution, because now we are trying to emphasise the neglected sectors to a greater extent. Possibly, the rate of growth in the other sectors may not be the same. Really speaking, that was expected.

SHRI BIRENDER SINGH RAO : May I know whether there were definite directions issued only about the agricultural sector to certain banks ? Is it a fact that credits only to the agricultural sector were to be reduced or curtailed or stopped ?

SHRI YESHWANTRAO CHAVAN : No, not at all.

श्री विभूति मिश्र : डिफरेंट सेक्टरों के लिए बैंकों का जो रुपया एलाट किया जाता है उसमें एग्रीकल्चर और स्माल-स्केल इंडस्ट्रीज के लिए कम एलाट किया जाता है। मैंने दो तीन केमिज के बारे में मंत्री महोदय से पताचार किया है और उन्होंने इस बारे में मदद भी की है। किसानों और स्माल-स्केल इंडस्ट्रीज के हितों को दृष्टि में रखते हुए क्या मंत्री महोदय बैंकों को आदेश देंगे कि एग्रीकल्चर और स्माल-स्केल इंडस्ट्रीज के लिए ज्यादा रुपया रखा जाए, ताकि वह उनको मिल सके ?

SHRI YESHWANTRAO CHAVAN : This is the policy of the Government, and we are trying to go in this direction. I, of course, appreciate that it is not fast enough to meet the expectations of the hon. Members. He knows that we have discussed these matters also many times. Our efforts are definitely in this direction.

SHRI DINESH CHANDRA GOSWAMI : May I know from the hon. Finance Minister whether the Government is contemplating a reviewing of the procedures for granting loans and making it less rigorous so far as the neglected sectors are concerned ?

SHRI YESHWANTRAO CHAVAN : I think it is a very legitimate question, because I have also found that some of the procedures were lengthy, and therefore there were certain difficulties in the case of granting loans. Certain steps have been taken in this matter. The most important thing was that certain State laws stood as obstacles in the way of granting loans. So, a Committee was appointed to make suggestions for those laws and some of the States have started taking action on that. That will possibly solve the question.

As far as the procedures in the banks themselves are concerned, there are some bottlenecks which are also being gradually removed.

SHRI SAMAR GUHA : May I know whether the Government has taken a final decision in regard to the introduction of differential rates of interest for the neglected sectors of our country and whether it is not a fact that some directors of nationalised banks have opposed it and, if so, the reaction of the Government thereto ?

SHRI YESHWANTRAO CHAVAN : Shall I answer this question, Sir ?

MR. SPEAKER : He has gone a little off the track, but you may answer as you like.

SHRI YESHWANTRAO CHAVAN : Sir, I did make a mention in my budget

speech yesterday, about the differential rates of interest, on the details of which I propose to make a statement in the course of the next week or so.

SHRI INDRAJIT GUPTA : The Minister said a little while ago that the rate of growth in the volume of advances to the hitherto neglected sector was increasing but that the rate of growth had slowed down somewhat. If I may, with your permission, refer to a statement which has been laid today in connection with another question, Question No. 73, the figures show that whereas for the year ending December, 1970, the advance made to agriculture, small scale industry, road transport operators, retail trade and small business, professional and self-employed persons, and education, all taken together, was 23.84 per cent of the total advances, in the next year, that is December, 1971, it has gone down to 23 per cent. So it is not as though the growth is there but that the rate of growth is slowing down. There has been an actual fall according to these figures in the percentage of advances to the neglected sectors as a percentage of the total advances.

I would, therefore, like to know from him whether this is not a disquieting trend, because it shows that about 77 per cent of the advances are still apparently going to the big business, wholesale trade and to such other interests. What will he do to see that this trend is reversed as a matter of policy ?

SHRI YESHWANTRAO CHAVAN : I would like to say that if you look at it only in terms of mere percentages, I think that will give you a rather misleading picture, because in the last two years, the deposit mobilisation also was substantial. Therefore, if you just take the percentages of the total availability, possibly you will not be able to understand the real position. But if you see it in terms of actual number of accounts and the amounts outstanding, it would be a different picture altogether. I would like to give you information about those things, I give information about the accounts. Now, in terms of the amounts outstanding, for example, at the end of June, 1969 it was Rs. 235.58 crores. For end of December,*

1971, the figure is Rs. 596.46 crores. So, there is a substantial increase. Sometimes, it is also very difficult for those sectors to absorb credit. As I told you, there are certain organisational constraints standing in the way. I quite agree that one will have to be watchful of this trend.

श्री नरसिंह नारायण पांडे : इस बात को देखते हुए कि स्माल-स्केल इंडस्ट्रीज और एग्जीक्यूटिव के लिए लोन जो एडवांस किए जा रहे हैं उनमें परसेन्टेज बहुत कम है जैसे उत्तर प्रदेश में जो हैंडलूम इंडस्ट्री है या पावरलूम इंडस्ट्री है, वह स्टार्व कर रही है, क्योंकि उन के पास पैसा नहीं है और उनकी परफेजिंग कैपेसिटी नहीं बढ़ रही है। मैंने इस बारे में मंत्री महोदय को पत्र भी लिखा था, तो क्या माननीय मंत्री जी हैंडलूम और पावरलूम इंडस्ट्रीज को भी जो स्माल-स्केल इंडस्ट्री में आती है, मदद कराने के लिए कोई कदम उठा रहे हैं, जिसे इनको बढ़ावा मिले ?

SHRI YESHWANTRAO CHAVAN : Certainly I am prepared to look into this matter. The hon. Member has written to me and I myself chose to go to the handloom and powerloom industry centres in the Eastern U. P., for example. We are taking care to see that branches are opened there and certain responsibilities are fixed to see that they go down and keep contact with those people in Gorakhpur, Banaras, Mhow, Faizabad... (Interruptions). Shoulapur, I know much better.

Deployment of IRBMs by China

***71. SHRI NAWAL KISHORE SHARMA :** Will the Minister of DEFENCE be pleased to state :

(a) whether attention of Government has been drawn to the news item which appeared in the "Indian Express" dated the 2nd February, 1972 about deployment of IRBMs by China;

(b) if so, the steps Government propose to take to meet the danger;

(c) whether China is also contemplating a test firing of the IRBM into the Indian Ocean; and

(d) if so, the reaction of Government thereto ?

THE MINISTER OF STATE (DEFENCE PRODUCTION) IN THE MINISTRY OF DEFENCE (SHRI VIDYA CHARAN SHUKLA) : (a) to (d). Yes, Sir. No authentic information on the reported deployment of IRBMs or on their test firing is available. The implications of available information on the subject, in terms of national security, are periodically assessed and taken into account in planning our defence measures.

SHRI NAWAL KISHORE SHARMA : Though the Minister has stated in his reply that no authentic information is available, his information looks to authentic and therefore I would like to ask the Minister what specific steps he has taken or proposes to take to counteract this danger ?

SHRI VIDYA CHARAN SHUKLA : It is a straight question. If there is threat to our national security we do take certain measures to counteract and we need not state publicly all those secrets.

SHRI NAWAL KISHORE SHARMA : I know the reply of the Minister. May I know whether he could give a specific assurance to this House that the danger would be effectively met whenever it comes ?

SHRI VIDYA CHARAN SHUKLA : That is our effort.

SHRI G. VISWANATHAN : In view of the fact that China is equipping itself with ICBM and IRBM and in view of the fact that there had been a demand in this House for the last so many years, that we should go in for nuclear arms, has the Government changed its policy or is it going to review its policy on atomic weapons ?

SHRI VIDYA CHARAN SHUKLA : No, Sir.