

HALF-AN-HOUR DISCUSSION-

points arising out of answer to starred question no. 22 given in the Rajya Sabha on 30th July 1991 regarding subsidy on food and fertilizers

DR. YELAMANCHILI SIVAJI (Andhra Pradesh): Mr. Vice-Chairman, Sir, there is a proverb in Telgu which says that one Professor like Dr. Manmohan Singh wanted to make a bride and ultimately the bride turned out to be a monkey.

"Pellikuihur inicheyyaboth ekothi
ayyindi

Like that, the-whole fertilizer problem is mishandled. And knowing not well about the ground reality, they made so many mistakes. And, Sir, with 40 per cent hike on the fertilizer price, nowhere else, never in the history of independent India, no Budget has imposed such a heavy burden on a single sector. Sir, with 40 per cent hike, I calculated that the burden on the farmer is to the tune of Rs. 3,000 crores. And Dr. Manmohan Singh announced in the other House that it has been reduced to 30 per cent. Sir, time and again, Dr. Manmohan Singh was mentioning that for the last ten years, no increase has been there on fertilizers and this and that. It is bosh; and it is rubbish. Sir, soon after Mrs. Indira Gandhi came to power, on 8th June, 1980, the fertilizer price was enhanced by 50 per cent. Sir, I am quoting the figures of June, 1980 and as on today. The price of urea during June, 1980 was Rs. 1450 per metric tonne. With 30 per cent hike now, leave alone 40 per cent, do you know, Sir, the cost of urea is Rs. 3,062 M.T. The price of urea of potash at that time was Rs. 805. It is enhanced now to Rs. 1700. The price of DAP at that time was Rs. 2200 and it

has increased to Rs. 4,780. The price of NPK was increased from Rs. 1800 to Rs. 3,850. Ammonium phosphate was increased from Rs. 1400 to Rs. 3,000. Ammonium nitrate/phosphate was increased from Rs. 1600 to Rs. 3350. The price of ammonium phosphate/sulphate was Rs. 1400. And it has increased to Rs. 3,000. The price of urea ammonium phosphate increased from Rs. 1900 to Rs. 4,000. Likewise, the fertilizer price, when compared to 1980, even with 30 per cent hike, went up by more than 100 per cent. And, Sir, the Finance Minister was wise enough to divide the farming community into small farmers, marginal farmers, kulaks, landlords, this and that. Sir, in the Northern India, people like Dr. Manmohan Singh from urban areas used to prepare a sweet by name Burfi. They cannot eat the entire Burfi at a time. So, they will cut the entire sweet into pieces, both horizontally and vertically. At one time, they will eat away the kulak. Next, they will eat away the landlord. And the next step is that they will eat away the small farmer and finally the marginal farmer. And they will finish the entire rural community for the sake of the urban people.

Sir, the affair of fertilizer prices is going contrary to the norms. Sir, with the land ceiling in this country, I do not see any reason to divide the framers into several compartments.

In this connection, Sir, I am quoting THE ECONOMIST of London which has published a survey this year on 4th May. I quote :

"India's policies of industrial protection discriminate powerfully against agriculture. They raise the domestic price fo manufactured goods relative to the price of farm output

[Dr. Yelamanchili Sivaji] and thereby reduce the purchasing power of farmers' incomes. 'Authoritative estimates of the foreign exchange cost of this discrimination range as high as \$ 3 billion a year and more.'

(Time Bell rings)

They have calculated the price of fertilizers in various countries in proportion to that of paddy. And it is astonishing to note that the Indian farmer is paying more than five times of his counterpart in Japan to purchase the same quantity of fertilizers, and compared to neighbouring countries like Pakistan and Bangladesh our farmers are compelled to pay at least 2-1/2 to 3 times to get the same quantity of fertilizers even with the so called subsidy.

SHRI N.K.P. SALVE (Maharashtra) : Does the Government subsidise there ?

DR. YELAMANCHILI SIVAJI:
I do not know. It is for the Minister to reply.

Sir, the so called subsidy on fertilizers is working against the interests of farmers. If at all there is any subsidy, this subsidy is intended to, safeguard the inefficiency of the fertilizers industry in this country, to safeguard the high taxation on fertilizers, on naphtha, on crude, on high freight rates of railways, on high charges of electricity, and not the interests of farmers. *(The Bell rings)*.

Sir, we know that in the Fertilizers Department there is a coordination Committee. In that Committee, headed by the Joint Secretary in the Ministry of Agriculture with three other secretaries of various Ministers and two representatives of fertiliser industry.. *(Time Bell rings)*. They will fix up the price every six months. They are

forced to escalate the price of fertilizers. ..
(Time Bell rings)

THE VICE-CHAIRMAN (SHRI SUKOMAL SEN): Dr. Sivaji, please conclude. There are other speakers.

DR. YELAMANCHILI SIVAJI:
Sir, there is a collusion between the industry and the Government. They escalate the cost of production, and, Sir,...

THE VICE-CHAIRMAN (SHRI SUKOMAL SEN): It is half-an-hour discussion. Time is half-an-hour.

DR. YELAMANCHILI SIVAJI:
The police resorted to firing and several people died in Andhra Pradesh also. Jakhar Saheb knows about it.

Sir, the Government in their wisdom reduced the price. Is it warranted to kill people by firing ? What happened. Sir, is that the fertilizer industry is asked to fix up its own price, and on its own price the Government is subsidizing to the tune of 12 per cent. Is there any industry in the entire world, leave alone this country, subsidizing on the cost of production on their own figure, of 12 per cent ? Are you subsidizing your public sector industry by 12 per cent ? So, Sir, the entire subsidy is not intended for the welfare of the farmer; it is intended to safeguard the inefficiency of the fertilizer industry in this country.

THE VICE-CHAIRMAN (SHRI SUKOMAL SEN) : Have you concluded ?

DR. YELAMANCHILI SIVAJI:
Not yet, Sir.

Sir, the hon. Minister has stated that every care has been taken in connection with the minimum support price. He has also mentioned that the rate of fertilizer is going to be enhanced. He is going to enhance

the rate of paddy by Rs. 7 per quintal and in case of wheat by Rs. 8 per quintal. By computing all these figures. I find that it amounts to about Rs. 208 crores. On this one hand, you are penalising the farmers to the tune of Rs. 3000 crores and for that you have reduced it by 10 per cent. And for the small farmers .. (Interruptions).

THE VICE-CHAIRMAN (SHRI SUKOMAL SEN): Dr. Sivaji, I am calling another speaker. Please conclude.

DR. YELAMANCHILI SIVAJI:
So, Sir, as far as figures for the small farmers and big farmers are concerned, I am warning the Government that this is giving scope for so much of malpractice and corruption in the Revenue Department. By taking Rs. 10 or Rs. 5 they can issue a certificate to farmers whether they are small farmers or marginal farmers. This Government cannot compensate it and it may give rise to so much of malpractice and law and order situation will break through out the country. I am very much confident that this Government may be washed away with the tears of the farming community. Sir, I would like to see that the enhanced price of fertilizers is reduced, without any reservation, lock, stock and barrel; otherwise the farming community will see that the present Government is ousted from power.

श्री सुरेन्द्र सिंह ठाकुर (मध्य प्रदेश)
आदरणीय उपसभाध्यक्ष महोदय, मैं आपका धन्यवाद करता हूँ कि आपने बहुत महत्वपूर्ण विषय पर, जो मैंने चेयरमैन साहब से निवेदन किया था हाफ एन आवर डिस्कशन के माध्यम से चर्चा की, वह उन्होंने स्वीकार किया और अब मुझे अपनी बात कहने का मौका दिया।

महोदय, हम सब इस बात को स्वीकार करते हैं कि कृषि उद्योग एक चाटे का उद्योग है। इसमें इसकी प्रत्येक यूनिट चाटे में चलती है। उसके चाटे

को कम करने के लिए, समाप्त करने के लिए समय-समय पर विभिन्न प्रयत्न किए गए हैं और इसी भ्रम में एक प्रयत्न सरकार का है कि खाद, जो फर्टिलाइजर है, उस पर सबसिडी प्रदान की जाए। माननीय फायनेंस मिनिस्टर जी ने जो कदम उठाया है सबसिडी छोटे और मध्यम-वर्गीय किसानों के लिए हफ्ते परसेंट लागू रखने की और जो बड़े किसानों को इसकी 40 परसेंट कीमत बढ़ी थी उसको 30 परसेंट कर दिया है, उसका मैं स्वागत कर रहा हूँ और उनका धन्यवाद करता हूँ।

उपसभाध्यक्ष (श्री सुकोमल सेन) :
आप जरा शार्ट कीजिए।

श्री सुरेन्द्र सिंह ठाकुर : मान्यवर, मैं बहुत कम समय लूँगा। दो-तीन पाइंट हैं, जो मैं आपके माध्यम से सदन के सामने रखना चाहता हूँ। यह जो कदम उठाए गए हैं, निश्चित रूप से इनको व्यावहारिक रूप में लाने में कठिनाई आएगी। छोटे और मध्यमवर्गीय जो किसान हैं, चूँकि आमतौर पर किसान अशिक्षित होता है तो उसको ऐसी सुविधा की जानकारी होगी या नहीं होगी, यह भी एक शंकापूर्ण बात रहेगी। कृषि मंत्री जी यहां बैठे हैं। जब इनको आदरणीय बलराम जी जाखड़ को कृषि-मंत्रालय दिया गया था तो इस देश के किसानों ने एक खुशी मनाई थी और वे इनसे, इनके कार्यकाल में बहुत सी उम्मीदें लगाए बैठे हैं। हालांकि यह जो सर्वमहि कम करने की बात है, इनके ही कार्यकाल में आ रही है, मैं समझता हूँ कि इनके प्रयासों से ही यह सबसिडी जारी रखी गई है छोटे और मध्यम-वर्गीय किसानों के लिए। मेरी गुजारिश है कि इस पूरी प्रक्रिया पर बहुत ध्यान देने की आवश्यकता है, वरना यह जो छूट दी है छोटे और मध्यमवर्गीय किसानों को, उसका फायदा जो बिजनेसमैन है वह लेगा और उसके अशिक्षित होने का, अनपढ़ होने का और उनको जानकारी न होने का लाभ भी यह जो मिडिलमैन रहेगा, वह लेगा।

[श्री सुरेन्द्र सिंह टाकुर]

इसलिये आवश्यक होगा कि इस पूरी प्रक्रिया को व्यापारिक रूप में लाने के लिये कुछ ऐसे प्रबंध किये जायें जिससे कि उनके साथ ठगो नहीं हो सके। वैसे तो इस देश में सबसे लैंड सीलिंग शुरू हुई है कोई भी किसान बड़ा नहीं रह गया है जिसे आसानी से कोल्ड लैंड लार्ड कहते हैं, कोई बचा नहीं है। मेरी गुंजायिश होगी कि जो लिमिट है छोटे और मध्यम किसानों की, उस लिमिट के बारे में भी सरकार विचार करे क्योंकि मैं मध्य प्रदेश के बारे में जानता हूँ और वहाँ छोटे किसानों की ढाई एकर की लिमिट है और मध्यम वर्गीय किसानों की पांच एकर की लिमिट है। इसको अगर बढ़ाया जाय, जो कि आवश्यक है, तो कृषक वर्ग को फायदा होगा और इससे जो महत्वपूर्ण पहलू जुड़ा हुआ है—खाद्यान्न उत्पादन का, उससे हमको और पूरे देश को सहयोग मिलेगा क्योंकि खाद की कीमत बढ़ने से उसको खरीदने में किसान अक्षम रहेगा और जब वह खरीद नहीं पायेगा तो खाद्यान्न के उत्पादन पर इसका असर पड़ेगा। इसलिये आवश्यक है कि 100 परसेंट सबसिडी की छूट जिन लोगों को दी गई है, उनकी सीमा में कुछ परिवर्तन किया जाय और उनकी सीमा को कुछ बढ़ाया जाये।

मान्यवर, पिछली सरकार ने लोन माफ करने के लुभावने और ठकोसले वायदे से इस देश के किसानों के साथ बड़ा क्रूर मजाक हुआ है और उन्होंने करीब 10 प्रतिशत किसानों का वर्जि माफ किया है और 90 प्रतिशत किसानों को तबलीफ में डाल दिया है। जो किसानों से संबंधित बैंक होते हैं—सेंट्रल कोऑपरेटिव बैंक और भूमि विश्वास बैंक, जिनके माध्यम से छोटे और बड़े, सभी किसान खाद, बीज और अपनी आवश्यकता की चीजों को खरीदने के लिये ऋण प्राप्त करते हैं, उन बैंकों का दिवालिया निबल चुका है इसकी वर्जि-माफी की योजनाओं से और आज किसान बड़ी परेशानी सहसूस कर रहा है। मैं फाइनेंस मिनिस्टर साहब और वृषि मंत्री जी से प्रार्थना करूँगा कि उन दोनों

बैंकों में किसानों को मदद करने के लिये व्यवस्था की जाय। बिना व्याज का पैसा किसानों को कुछ सालों तक फर्टिलाइजर खरीदने के लिये उपलब्ध कराया जाय ताकि यह जो तात्कालिक समस्या है, जिसका थोड़ा-बहुत निराकरण तो हमारे फाइनेंस मिनिस्टर ने किया है, लेकिन जो और बची है उसका सामना करने के लिये किसान सक्षम हो सके उस बिना व्याज के ऋण के माध्यम से।

मान्यवर, मैं एक और निवेदन करूँगा क्योंकि यह भारत के किसानों का मामला है जो देश में सर्वाधिक है, अगर वे खुशहाल होंगे तो हमारा देश खुशहाल होगा। मैं वृषि मंत्री जी से खासकर के निवेदन करूँगा कि एक नया सर्वेक्षण उनकी आर्थिक स्थिति के बारे में करवाना चाहिये क्योंकि यह बात, हम जो किसान वर्ग से आते हैं, वे आँकड़ों के साथ यहां सिद्ध कर सकते हैं, लेकिन सरकारी तौर पर भी इस बात को मान्यता प्राप्त होनी चाहिये कि कृषक जो भी काम कर रहा है, क्योंकि जो वस्तुएँ वह खरीदता है वे महंगी होती हैं—चाहे डीजल हो, खाद हो और अन्य कोई वस्तु हो, मशीनरी पार्ट हो, सारी महंगी होती है और जो वह उत्पादन करता है, वह बहुत सस्ता बिकता है। इस पर एक आर्थिक सर्वेक्षण कराने की आवश्यकता है ताकि उसकी सही जानकारी देश के सामने आ सके।

[The Vice Chairman (Shri Bhaskar Annaji Masodkar) in the chair]

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR):
Now, the Finance Minister.

SHRI P. UPENDRA (Andhra Pradesh):
But there are other names also.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR):
The procedure is that Members who raise the discussion speak and thereafter the Minister concerned

will reply and only thereafter you can put questions.

SHRI P. UPENDRA : We have departed from the procedure.

THE VICE-CHAIRMAN : (SHRI BHASKAR ANNAJI MASODKAR): I will again explain the procedure. The Members who have raised the discussion have the right to speak and after they have spoken, the Minister concerned is called upon to reply. Thereafter, Members who have given their names, can ask questions. That is the procedure. Let us Allow it.

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH) :
Sir, I listened, with great interest, to the hon. Members who have spoken on this very important subject. I share their concern because, in the development of our country, agriculture and the interests of the farming community are of great concern, not only to the Government but to the country as a whole. Therefore this decision that we had to take for raising the fertiliser prices was not an easy decision. If you want to look at this decision you must look at the background of the totality of circumstances in which our country is placed today. I had an occasion while replying to the debate on the Budget in this august House to mention the nature of the crisis that this country is facing. If fertiliser subsidy in the year 1980-81 was probably about Rs. 500 crores this subsidy has increased over the years. When we came on the scene a month and a half back our estimate was that at a minimum this subsidy would rise to about Rs. 6000 crores in the year 1991-92. Now faced with a yawning fiscal deficit and a yawning budget deficit this Government had to take this unpleasant decision. It is in some ways unpalatable. I share with the House the sense of anguish and also anger. I submit respectfully that in the circumstances in which this country is placed today we had no

other alternative. If we do not have any sort of cut in the budgetary deficit, there would have been a reckless inflation. Moreover there would

have been a further weakening of international confidence in our country. Today we may worry about fertiliser prices. But want to share with the House that we do not have foreign exchange to import the fertiliser. A very substantial quantity of fertiliser is being imported. If the international confidence is weakened further and if

India goes into a default situation then there will be no possibility of effecting any import of fertiliser. If the import of fertilisers stops and if domestic production is inadequate in relation to domestic demand you would see in this country's history a crisis in the availability of fertilisers and a crisis in the fertiliser prices which you had never seen before. It is in this background of the totality of circumstances that

we had to take this unpalatable decision to reduce the fertiliser subsidies to mobilise additional resources, to restrain other expenditures and cut export subsidies to the extent of about Rs. 3000 crores. Dr. Sivaji said that in the last ten years there has been no increase in the prices of fertiliser. That statement was not correct. I am afraid he has got his facts wrong. In fact the history of the last 20 years shows that whenever you have such a big increase in the petroleum prices there is no way in which you can protect an industry like fertiliser.

In the first oil crisis in 1973-74 when the prices of petroleum products quadrupled the prices of fertiliser went up and the fertiliser subsidies increased in a big way. I will tell you what was done. On the first of June 1974, the price of Urea was increased by 90-48%, the price of DAP was increased by 140-3% and the price of NOP was increased by 81-41%.

[Shri Manmohan Singh] This was the first oil shock. The second oil shock came in 1979. There was at that time only a caretaker Government just as we had a caretaker Government from November to April. Nothing was done. When the Congress Government came to power, they found that there was no alternative but to raise the prices. On 8th June, 1980 the price of Urea was increased by 37.93 per cent. The price of DAP was increased by 38.8 per cent. The price of MOP was increased by 36.5 per cent. What is more, on 11th June, 1981, the price of Urea was increased by 17.5 per cent.

DR. YELAMANCHILI SIVAJI: 11th July.

SHRI MANMOHAN SINGH: I may be wrong. I stand corrected. The price of DAP was increased by 18.3 per cent. The price of MOP was increased by 18.5 per cent. In 1983, there was a marginal reduction by 8.6 per cent, in the price of Urea. There was a decrease in the price of DAP by 6.3 per cent. The price of MOP was reduced by 7.8 per cent. On 31st June, 1986, there was a further increase by 9.3 per cent in the price of Urea, 7.46 per cent in the price of DAP and 8.33 per cent in the price of MOP.

In substance, the prices today are the same as they were ten years ago. I do not think this is a wrong statement. I have the facts before me. I can make these facts available to hon. Members. If, still, there is any mistake, I am subject to correction. But to the best of my ability, I assure you, I will not attempt to mislead this august House.

The hon. Member said that never in the history of India was such a burden imposed. I am afraid, what I have said does not substantiate the point that he was making. I have pointed out what happened in the wake of the first oil shock, what happened in the wake of the second oil shock and what we have done,

as a result of the third oil shock, is moderate, considering the harsh realities of the economic situation.

Also, there has been a reference to the distinction between the small and marginal farmers and other farmers. We have today, in our country programmes which make a distinction between the small and marginal farmers and other farmers. We have the institution of regional rural banks which were set up exclusively to help the small and marginal farmers.

DR. YELAMANCHILI SHIVAJI:
Regional rural banks ?

SHRI MANMOHAN SINGH: For certain purposes, in a country which is short of resources, you cannot subsidise the farmers in the same proportion,—I respectfully submit—despite the greater importance of agriculture in our national life. You cannot quote the experience of Japan. You cannot quote the experience of the European

Community. You cannot quote the experience of the United States. You cannot quote the experience of these countries where they give subsidies to the farming community. In the United States, farmers are 3.1 per cent of the total population. In the European Community, the proportion is no different. In Japan also, it is no different. It is easy for these countries to subsidise their farmers without their treasury getting bankrupt. But I respectfully submit, Sir, that in a country where the farmers constitute 70 per cent of the population, there is no magic formula which can subsidise this 70 per cent of the population. Any attempt to get away from this harsh reality of our country can only lead to an utter bankruptcy of the national

exchequer which would, in turn, lead to a total breakdown of the financial system of the country.

The hon. Member also said that the Indian policy militates against agriculture. I made that point myself, that you have, in this country, a regime which provides indiscriminate protections industry and this protection to industry is at the cost of somebody. Naturally, in a country where agriculture is so large, excessive protection of industry means protection against agriculture. It is this very strategy that we have sought to reverse in the course of this budget. In the past there have been feeble attempts, but for the first time we have set out before our country a coherent path of economic restructuring, that we will gradually reduce the protection enjoyed by industry, that we would encourage greater compaction in Indian industry so that it does not exploit the consumers but we must not do so in a manner that destroys our industry. Our attempt is to reduce this protection, to reduce this discrimination against agriculture but without destroying our industry. This is because what would happen if you destroy the fertiliser industry in this country? we have no foreign exchange to import fertiliser. Who would be the worst sufferers? The farmers would be the worst sufferers of the whole thing. So, whatever the grievances against the fertiliser industry, whatever one may say about the wrong pricing policy, I think we have to keep the fertiliser industry afloat not only in the interest of this country, but in the interest of the farming community as a whole.

I assure you, if there is anything wrong with the pricing of fertiliser products, we will look at it.

Hon. Member Dr. Sivaji asked where else you have this 12 per cent rate of return. First of all, I want to say that this 12 per cent rate of return is not on every cost of production, or on every capital employed you give a guarantee of 12 per cent.

There are norms with regard to capacity utilisation. If a firm, for example, has excessive amount of capital per tonne of production, it does get the same benefit as per the norms. We have norms for the use of energy, we have norms for the use of inputs and there are the norms for the capacity utilisation. Now, it is still possible that the system operates in such a manner that it does not eliminate the scope for waste. If we have foreign exchange, we could import lot of fertilisers. Or, we could put a lot of pressure on Indian industry to reduce its cost, but unfortunately, the situation in which we are placed today, with no foreign exchange to buy fertilisers, I cannot go that route. Therefore, whatever I have to do, I have to do within the framework of the available resources.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR):

Mr. Minister, there are questions coming. It will be better if you listen to all the questions and then give a reply. You have a right to reply at the end.

SHRI MANMOHAN SINGH: I

am answering all the questions that have been put to me.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Other Members will also ask the questions you can respond to them at the end. That is the procedure.

THE LEADER OF THE OPPOSITION (SHRI S. JAIPAL REDDY):

You may kindly direct the Minister to refer to all the points. Otherwise, the debate will be incomplete.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR):

There won't be any debate. He will be satisfying you by replying to all your questions.

DR. YELAMANCHILI SIVAJI:

Let him give an exhaustive reply.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR):

That is not the procedure. Again the same questions may be asked. It is better that there is no repetition.

SHRI CHATURANAN MISHRA (Bihar): I have to ask some questions.

SHRI MANMOHAN SINGH: I think I have answered all the questions. Some Members of the House referred to the difficulties in implementing the scheme for small and marginal farmers. I do recognise the administration of these programmes raises problems, but it is not beyond ingenuity of our administrative system to take care of these problems. As I mentioned, we do have programmes for small and marginal farmers. We have credit programme, we have other programmes, and I do believe that there may be initial difficulties, but our decision to exempt small and marginal farmers totally from the increase in fertiliser prices is a step in the right direction. It is an indication of our firm commitment to protect the interests of the farming community, particularly the interests of small and marginal farmers.

SHRI VITHALRAO MADHAVRAO JADHAV (Maharashtra): Mr. Vice-Chairman, Sir, I would like to put very pointed questions. The total fertilizer consumption in the country in 1980-81 was 5.5 million tonnes in 1990-91 it has gone up to 12.7 million tonnes because, with the advancement in agriculture, our farmers are adopting new methods of cultivation. The average per hectare consumption of fertilizers in 1985-86 was 47.4 kilogrammes and in 1989-90 it was 66.9 kilogrammes. That means the per hectare consumption of fertilizer also has increased. I have taken the figures from the Economic Survey. The Economic Survey shows that our nitrogen/phosphorous production was 2.9 million ton-

nes in 1979-80, 8.96 million tonnes in the year 1988-89, 8.54 million tonnes in 1989-90 and 9.04 million tonnes in 1990-91. That is with regard to the production of nitrogen and phosphorous.

Now let us take the imported fertilizers, because I am putting question on subsidies on imported fertilizers and domestic fertilizers. The import of fertilizers was two million tonnes in 1979-80 and 2.7 or three million tonnes in 1990-91. But here you say that the subsidy given on the imported fertilizers is Rs. 658 crores. The subsidy given on domestic fertilizers is Rs. 3,730 crores. Domestic production was nine million tonnes and fertilizers imported were 2.7 or three million tonnes. But the subsidy given of imported fertilizer is just Rs. 6 crores whereas the subsidy given on domestic fertilizer is Rs. 3,730 crores. So, the total subsidy given is Rs. 4,388 crores. These are the figures which I have taken from the Economic Survey. My question is, why is more subsidy given on domestic fertilizers compared to the subsidy given on imported fertilizers? Is there any difference in the pricing pattern or, what is the reason? That is a very important question.

Another important point is this: The total utilization capacity of our fertilizer plants is 78.7 per cent this year. Last year it was 82.6 per cent. So, a decline of some four per cent is there. The total production of fertilizer is 12 million tonnes with the capacity utilization of 78.7 per cent. If the full capacity was utilized, I am sure that the total production would have gone up to 14 million tonnes. Our requirement is of the order of 12.5 or 12.6 million tonnes. In that case we need not have imported a single kilogramme of fertilizer from foreign countries. Of course, I don't want to be unjust to the

honourable Finance; Minister: I know that we are not having phosphoric acid and we are importing it.

THE VICE-CHAIRMAN
(SHRI BHASKAR ANNAJI
MASODKAR): He knows all that. Please put your question.

SHRI VITHALRAO MADHAVRAO JADHAV: We are importing 1.5 million tonnes of phosphoric acid. Is it not possible to manufacture phosphoric acid in our own country, because very valuable foreign exchange is wasted on the import of fertilizers, which can be very easily avoided if we could manufacture phosphoric acid in our own country. So, is it not possible to manufacture it in our country? I want a definite answer to this.

I would also like to know from the honourable Minister as to how much excise duty is charged on petroleum products which are imported from the Gulf for the manufacture of fertilizers. Another question is, why is phosphoric acid imported? Is not there any indigenous availability? What are the sources and what efforts are made to tackle this problem? That is very important because it is not a matter of pride to the farmers and scientists of our country. We are having the third largest technical force in the world. We have got all minerals available with us. There is only the question of exploitation. So, by when will we be self-reliant? The subsidy with drawn is very large. Abruptly you have increased the price by 40 per cent. Is it not possible for you to reduce it to 20 per cent? You have reduced it by 10 per cent. That is a good step you have taken. The cost of the price of one bag of urea has gone up from Rs. 120 to Rs. 200 which is too much. In the name of small and marginal farmers even big farmers- and others who are

having farming as their side business just to save income-tax, will do black-marketing, and there will be great generation of black money. So, I would like to ask the hon. Minister to reduce the subsidy to 20 per cent and give relief to the farmers. That is my main appeal. I am a farmer, and I am a farming scientist also.

THE VICE-CHAIRMAN
(SHRI BHASKAR ANNAJI
MASODKAR): That is why I allowed you this indulgence.

SHRI VITHALRAO MADHAVRAO JADHAV: That is my appeal. I have studied our economics also. From that point of view, I am asking this.

THE VICE-CHAIRMAN
(SHRI BHASKAR ANNAJI
MASODKAR) : Mr. Ambedkar. Please put questions only. Let us not convert it into a debate.

SHRI PRAKASH YASHWANT AMBEDKAR (NOMINATED):
This has almost been converted into a debate.

The Government has made a statement that through procurement the farmers would be compensated. My specific question is that in the procurement policy only 15 per cent goes to the Government, and 85 per cent goes to the market. The compensation will be only up to 15 per cent. What is the mechanism with the Government to compensate the remaining 85 per cent?

THE VICE-CHAIRMAN
(SHRI BHASKAR ANNAJI
MASODKAR): Shri Pramod Mahajan.

SHRI SATYA PRAKASH MALAVIYA (Uttar Pradesh): Why from Maharashtra arose 2

THE VICE-CHAIRMAN
(SHRI BHASKAR ANNAJI MASODKAR): He is from a different party. We are not going by States.

SHRI SATYA PRAKASH MALAVIYA: I thought you are going by your State.

THE VICE-CHAIRMAN
(SHRI BHASKAR ANNAJI MASODKAR): You are merging him with that party.

श्री प्रमोद महाजन (महाराष्ट्र) :
उपसभाध्यक्ष जी, इस आधे घंटे की चर्चा में अर्थ मंत्री और ऋषि मंत्री दोनों साथ आये हैं, वह अच्छी बात है। अर्थ मंत्री मनमोहन हैं ऋषण का दूसरा नाम और ऋषि मंत्री बलराम हैं। तो यह ऋषण और बलराम दोनों मिल कर सबसिडी के संबंध में विचार कर रहे हैं (व्यवधान) इसीलिये मैं आपसे प्रार्थना करने वाला था पुण्यों में बलराम का शस्त्र ही हल होता है और मैं मानता हूँ कि आधुनिक बलराम भी इसी हल का उपयोग करके उन्होंने 25 प्रतिशत कम किया है। थोड़ा अगर अधिक उपयोग करें और ऋषण को समझायें तो हो सकता है कि पूरी की पूरी सबसिडी हट जाय। उपसभाध्यक्ष जी, मैं मित्रांतनः राज्य सहायता के विरोध में हूँ। किसानों को यदि ऋषि का उत्पादन खर्च के आधार पर मूल्य मिलेगा तो मैं उर्वरकों पर भी राज्य सहायता नहीं दूँगा। किसी प्रकार की राज्य सहायता की कोई भीष की आवश्यकता नहीं है लेकिन चूंकि किसानों को उचित मूल्य नहीं मिल रहा है, ऐसी स्थिति में यदि हम उर्वरकों पर राज्य सहायता हटाने की बात करेंगे तो मानो अब हमारे किसानों को हम पूरा भारने का प्रयास कर रहे हैं। इसलिये मैं मंत्री महोदय से कुछ प्रश्न पूछना चाहूँगा। एक तो इस सदन में भी बार बार मैंने चर्चा करते समय यह देखा है जब भी किसानों की उर्वरकों पर चर्चा होती है तो हम एक शब्द का उपयोग करते हैं मार्केटबल

सर्प्लस। मुझेको लगता है कि यह मार्केटबल सर्प्लस जो उद्योग में लागू है, कृषि में उसी अर्थ से लागू नहीं होता है। मार्केटबल सर्प्लस का हम अर्थ यह लगाते हैं कि ऐसे किसान जो खुद के लिये बचा कर बचा हुआ अनाज मार्केट में बेचते हैं। फिर हम यह मानते हैं कि केवल बड़े किसान ही खुद का खाकर बेच सकते हैं इसलिये जो छोटे और मध्यम किसान हैं उनका मार्केटबल सर्प्लस होता ही नहीं है। इसलिये मंत्री महोदय और सरकार से सबसे पहले मैं यह जानना चाहता हूँ कि इस धारणा में क्या फर्क है? हर किसान के पास टेक्नीकली सर्प्लस मार्केटबल सर्प्लस होता है भले ही वह दो क्विंटल अनाज पैदा करे शायद यह दो क्विंटल उसके परिवार के लिये साल भर के लिये काफी नहीं है।

There is no market surplus with him. लेकिन उसके पास बेचने की और कुछ नहीं होने के कारण वह अपने पास जो भी पैदा होता है वह मार्केटबल सर्प्लस न होने के बाद भी उसमें से आधा बचकर अन्य चीजें खरीदता है। इसलिये मार्केटबल सर्प्लस चीज हर किसान पर लागू है। हर किसान के पास मेरे अर्थ में मार्केटबल सर्प्लस होता है और अगर उसके पास है तो उर्वरकों पर जब आप कीमत बढ़ाते हैं तो इस का केवल बड़े किसान पर ही असर नहीं होता है जो भी उर्वरक उपयोग करते हैं—जो न करते हैं उनकी बात अलग है—उन पर असर होता है। इस दृष्टि से मेरा पहला प्रश्न यह होगा कि इस स्थिति को देखकर चूंकि आपने हर किसान पर हमला किया है इसलिये क्या आप इस सबसिडी को वापस लेकर इन छोटे और मध्यम किसानों को बचाने का प्रयास करेंगे।

दूसरा, उत्तर में यह कहा गया है कि हम उर्वरकों में जो वृद्धि कर रहे हैं उसकी क्षतिपूर्ति वसूली में वृद्धि करके करेंगे। मुझे यह तर्क ही उत्तर में समझ में नहीं आया कि अगर उर्वरकों के

कारण क्षति हो रही है तो उसके लिये आप बगुली में वृद्धि कर रहे हैं। आप उर्वरकों से क्षति ही मत करें अगर क्षति नहीं होगी तो क्षतिपूर्ति करने का सवाल चायेगा ही नहीं। आप इतना भारी प्राणायाम क्यों कर रहे हैं कि पहले उसकी क्षति करके फिर उसकी क्षतिपूर्ति करेंगे। इसलिये मैं यह पूछना चाहूंगा कि उर्वरकों की कटौती के कारण फसल पर कितना प्रभाव होगा? आखिर चीजें इतनी बढ़ जाएंगी तो उनका उपयोग कम होगा, उपयोग कम होगा तो उत्पादन घटेगा। क्या उत्पादन इतना घटेगा कि हमको आयातित अनाज खाना पड़ेगा। उसका असर क्या होगा यह मैं पूछना चाहता हूँ।

तीसरी बात मैं यह कहना चाहता हूँ कि वसूली मूल्यों में जो वृद्धि की बात हुई है, जब पहले ही वसूली मूल्य ठीक नहीं मिल रहे हैं उर्वरकों के कारण तो क्या कोई आपने सूत्र बनाया है, आप केवल यह बात मत कहिये कि इन्फि उपज मूल्य आयोग है वह तय करेगा, वह पहले ही बेइमानी से तय करता है, इसलिये अब जब नयी चीजें बढ़ गयी हैं तो ऐसी चीजों पर क्या आपने कोई सूत्र बनाया है? बाकी चीजों का तो हिसाब होगा लेकिन उर्वरकों में वृद्धि को हटाने किस प्रकार से जोड़ दिया है, अगर इसका सूत्र हो तो इसको बताने का प्रयास करें।

इसके साथ-साथ मैं यह जानना चाहता हूँ कि राज्य सहायता जो हटायी गयी है उसमें आयातित उर्वरकों पर कितनी हटाई है और स्वदेशी उर्वरकों पर कितनी हटाई है। हर बार आयल शाक और इसको बात हो रही है। तो आयातित और स्वदेशी में कितना अन्तर है? क्या इसमें कोई फर्क करना संभव है?

अन्त में मैं यह कहना चाहूंगा कि दो तीन दिन पहले उर्वरकों में जो राज्य सहायता देते हैं उसमें सौ करोड़ के घपले की बात समाचार पत्रों में आई है। एक उर्वरक कारखाने के संबंध में यदि

समाचार पत्रों के अनुसार सौ करोड़ का घपला हो सकता है तो मुझे लगता है कि अगर अर्थ मंत्री जो इस राज्य सहायता को हटाने और इस घपले का अन्तर कम करने का प्रयास करें तो और मदद मिल सकती है। इस प्रकार से अष्टाचर को दूर करके क्या हम कम कर सकते हैं? और अंतिम प्रश्न मेरा यह होगा कि उन्होंने लोक सभा में 10 प्रतिशत कम करके एक प्रकार से वहाँ के सदस्यों का समाधान किया है, मैं यह चाहूंगा कि अर्थ मंत्री महोदय राज्य सभा को भी इतना कम न समझें। वहाँ से यहाँ आते आते कोई मत परिवर्तन अगर हो चुका हो तो राज्य सभा के लिये वह कटौती देकर राज्य सभा के सदस्यों का भी आदर करें। यह मेरा अंतिम प्रश्न है।

श्री चतुरानन मिश्र : उपसभाध्यक्ष महोदय, यह बात ठीक है कि सबसिडी तो बहुत बढ़ती जा रही है। इससे हमारे बजट पर प्रभाव पड़ता है। लेकिन मैं पहला प्रश्न यह पूछना चाहूंगा कि बहुत से देशों का तो वित्त मंत्री जी ने उदाहरण दिया लेकिन भारत में क्या यह सच है या नहीं कि जब से किसानों की चीजों की कीमत उचित मूल्य की तरफ की गयी है और सबसिडी दी गयी है तब से यहाँ का उत्पादन और उत्पादकता दोनों बढ़ी है। अगर इसको हम घटा देते हैं तो इसका असर पड़ेगा तो पहला प्रश्न मेरा यही होगा कि इसको क्यों न बढ़ा दें।

दूसरा, मैं इस बात से सहमत हूँ और प्रारंभ में ही साफ कर दूँ कि दो तरह के दाम की जरूरत है। गरीब, सीमांत और लघु किसानों को ज्यादा सुरक्षा प्रदान करने की जरूरत है। नहीं तो ऊपर नहीं है तो पुलिस बजट बढ़ेगा। पुलिस बजट न बढ़े इसलिये शुरू में ही आप सुरक्षा दीजिये, यही अच्छा है। हनने सुना नहीं है। उस हाउस में जाकर आप इशारा तो कर रहे हैं... (व्यवधान)

SHRI MANMOHAN SINGH : There will be no increase in the price for the small and marginal farmers.

SHRI CHATURANAN MISHRA: Many thanks. But how you are going to implement that will have to be seen.

अभी दूसरा हमारा प्रश्न वित्त मंत्री जी से होगा कि हम ढास को घटा करके ही सब्सिडी से बच सकते हैं, क्या ऐसा है या नहीं? हम उदाहरण देना चाहेंगे कि हमारे देश में गैस का प्राइस अमरीका के मुकाबले में तीन गुना ज्यादा है। तो अगर गैस का प्राइस आप घटा दीजिये, तो फर्टिलाइजर का प्राइस आटोमेटिक घट जायगा, तो सब्सिडी की जरूरत नहीं रहेगी। तो इसलिये गैस-वेस्ट फर्टिलाइजर प्लांट के लिये एक बहुत बड़ा काम निकल जायगा और उस पर यदि आपको टैक्स छोड़ना भी पड़ेगा, तो बहुत कम रकम छोड़नी पड़ेगी। इसलिये आप यह पद्धति क्यों नहीं अपनाते हैं?

मेरा तीसरा प्रश्न यह है कि ट्रांसपो-टेशन और स्टोरेज का कास्ट हमारे यहाँ करीब 10 प्रतिशत है। यह बहुत हाई साइड में है। इस देश की तुलना तो कोरिया, तैवान और सिंगापुर से नहीं होगी। यह विशाल देश है, तो ट्रांस-पोर्टेशन कास्ट बहुत हाई हो जाता है। तो क्या यह संभव नहीं है कि अगर हम इसको 50 प्रतिशत भी रिड्यूस करें—आपने खाद्य पदार्थ में फ्रेट, रेलभाड़ा नहीं बढ़ाया है। यह तो उसका ही अंग है। इसमें अगर आप नहीं बढ़ायें, तो हमारा केलकुलेशन यह आता है और अखबारों में भी बात आई है कि करीब पांच रुपये प्रति बोरा ढास घट जायेगा। तो ट्रांसपोर्टेशन कास्ट को ही क्यों नहीं फ्री कर देते हैं। फ्रेट में यानी सब्सिडी देनी पड़ी और आपका बजट भी कुछ असंतुलित नहीं होगा और किसानों को सस्ता मिले। जब किसानों का झगड़ा है कि सस्ता मिले, उनको यह नहीं है कि आप सब्सिडी के जरिये देते हैं या नहीं, सस्ता मिलना चाहिये इसलिये हम समझते हैं कि इसको करें, क्योंकि जो फ्रेट का है, नामरूप को फ्रेट में पड़ जायेगा 235 रुपये और नांगल र। भाँटडा को 81 रुपये से 96 रुपये

में पड़ता है। तो दोनों में इतना बड़ा फर्क है। बाकी चीजों में आपने फ्रेट स्टेंडर्डिजेशन कर लिया। इसमें नहीं हो पाता है। तो हम लोगों को इस तरह से बहुत ज्यादा घाटा होता है।

सब्सिडी इतना अनसाइडिफिक है कि नार्दन स्टेट्स जो कहती है कि उनके साथ भेद-भाव होता है, पंजाब के लोग तो बोलते ही हैं कि उनके साथ बहुत भेद-भाव होता है, पंजाब को प्रति एकड़ 1,027 रुपये सब्सिडी दी जाती है, जब कि नेशनल एवरेज 511 रुपये की है। आप ही बताइये उलटे रुपये भी हमसे ले लेते हैं और कहते हैं कि हमारे साथ भेद-भाव कर रहे हैं।... (व्यवधान)

एक मानीय सदस्य : और इसके बाद गोली भी ... (व्यवधान)

श्री चतुरानन मिश्र : गोली तो चलती ही है। इसलिए मैंने आपसे कहा कि यह सब्सिडी वाली बात तो बड़ी अन-साइडिफिक है ... (समय की घंटी)

आपने इसको स्टडी नहीं किया और यूँही एकाएक कह दिया। हम आप से कहेंगे कि टोटल आपने जो सब्सिडी दी है, उसका 31 प्रतिशत नार्दन स्टेट्स ले लेती है और ईस्टर्न स्टेट्स को 18 प्रतिशत ही मिलता है। (समय की घंटी)

हम तो खाली क्वेश्चन ही पूछते चले जा रहे हैं। इसलिए हम चाहेंगे कि पहले आप इसकी स्टडी कर लें, तब इस बात को करें। आपने उलटा कर दिया है। पहले गर्दन ही काट ली है और बाद में आप जोड़ने की बात कर रहे हैं। तो न गर्दन जुड़ेगी और न प्राण बचेगा। कुछ नहीं होगा। तो इसीलिए उलटे तरीके से आप यह कह रहे हैं।

मेरा चौथा प्रश्न रिटेंशन प्राइस के बारे में है। इसे आप हार्दली अन-साइडिफिक और बिल्कुल गलत तरीके से दे रहे हैं। आप किसानों को सब्सिडी

डायरेक्ट दे दीजिए । तब तो हम समझ जायेंगे कि इतना पैसा कम से कम उनके घर में जाता है । आप कम्पनीज को दे रहे हैं और उसमें यह होता है कि जिन्होंने लेटेस्ट टेक्नालोजी की कंपनी लगाई है, जैसे आर०सी०एफ०, ट्राम्बे और थाल है महाराष्ट्र का, उनको पर टन 1300 से 2411 रुपये पर टन मिलती है और दूसरे जो पहले से पब्लिक सेक्टर में खुले हुए हैं, उनको कुछ भी नहीं मिलता है, क्योंकि वह पुरानी टेक्नालोजी के हैं । आपने इटैलियन वगैरह—हमारे वित्त मंत्री जी को ज्ञात होगा कि पहले हमको कोई फर्टिलाइजर प्लांट नहीं देना चाहता था । इसलिए जहाँ-तहाँ से नेहरू जी के टाईम से खोला गया था । आप उस रिटेंशन प्राईस के जरिए, जो अत्यंत ही अनसाइंटिफिक है, इसको हटा करके दूसरी तरह से कीजिए, तो प्राईस घट जाएगी और हमको सस्ते की जरूरत है न कि आपसे झगड़ा करना है । इससे आपको बजट का भी पैसा मिल जाएगा ।

आखिरी बात जो हम आपको कहना चाहेंगे कि यह जो फर्टिलाइजर कम्पनीज उनको इलाका बांट दिया गया है कि यह स्टेट आपका है, यह स्टेट आपका है, तो कंपीटिशन कहाँ हो पाता है । अगर आप कहते हैं कि मार्केट रूल है—दोनों ही बात मत कीजिए । हम लोगों को कह दिया जाए कि मार्केट रूल जो हो और उनको आप इलाका बांट देते हैं और उसमें इतना डिफैक्टिव सिस्टम है कि कहीं कोई चला जाता है और प्राईस को बराबर जब वह चाहते हैं, बढ़ा-घटा लेते हैं । और किसानों को बहुत ज्यादा कीमत पर उनको मिलता है । अंतिम प्रश्न मेरा यह है कि आप गरीब किसान और इसकी बात तो बहुत करते हैं, लेकिन यह क्यों नहीं करते, मैं नहीं जानता कि उस हाउस में आपने क्या कहा है, टी, काफी और खड़ प्लांटेशन को जो आप फर्टिलाइजर देते हैं उनको क्यों हम सब्सिडी देंगे, यह बताने की आवश्यकता है ? कोई कारण तो होना चाहिए । वह लोग तो न गरीब हैं, न धनी किसान हैं । वह आप इन कम्पनीज को तो दे रहे हैं, तो उनको आप मत दीजिए

और वहीं काटकर आप साधारण लोगों को दे दीजिए । तो इसलिए हम चाहेंगे कि उसमें आपको क्या दिक्कत होती है, उसको आप बतायें ? इंपोर्ट किया हुआ जो फर्टिलाइजर है ...

उपसभाध्यक्ष (श्री भास्कर अन्नाजी मासोदकर) : कुछ बाकी के लोगों के लिए भी आप रहने दीजिए ।

श्री चतुरानन मिश्र : लास्ट प्वाइंट है । ... (व्यवधान) इंपोर्ट किया हुआ जो फर्टिलाइजर है उसके चलते हुए दोनों बात हुई है । अगर लंबा इतिहास में जाइयेगा तो कभी इंपोर्टेड फर्टिलाइजर का दाम भी सरता हुआ और आपने पेट्रोलियम पदार्थ का कहा कि जब स्टाक फाल हो जाता है तब तो आप हमारा नहीं घटाते हैं । आप जो दाम बांध देते हैं वह बांधे ही रहते हैं । लेकिन जब घट जाता है इंटरनेशनल मार्केट में तो उसके मुताबिक हमारा भी घटा दीजिए, वह तो आप करते नहीं हैं । यही मेरा लास्ट में कहना है । धन्यवाद ।

SHRI P. UPENDRA : Sir, I do not question the competence of the hon. Finance Minister. But I must say that in his anxiety to correct certain imbalances in the Indian economy, he had touched the most sensitive chord of the Indian nation and he has been pushed into taking the most unwise step and also into adopting a very shortsighted policy. I do not know whether the present Government wants to use him—because he need not face the electorate as all of us here and ultimately make him the scapegoat for these unpopular measures. (Interruptions) . But it is really a short-sighted and unwise step. And from what I heard from the Finance Minister it is very clear that in fact, he was indirectly advocating the use of less fertiliser by pleading non-availability of foreign exchange, etc. We should not forget the days of PL-480. After decades of hard labour by farmers, and may be because of Government policies to a certain extent, we have reached

[Shri P. Upendra]

a stage where there is a record production of.. *(Interruptions)*.. 180 million tonnes with a buffer stock of 20 million tonnes. But by this measure, if the fertiliser intake goes down gradually and if production is affected, again we may have to go back to the same stage when we had to import foodgrains and again we may have to get loans from the IMF, etc., to import foodgrains. Ultimately we may come to that stage. That is my fear.

It was being talked for a long time that subsidies might be withdrawn, etc. Last year itself, the previous Government, Central Government tried to do it. The Congress party showed extra anxiety about the country and its farmers and forced the previous Government not to present the Budget. We thought that they were pro-farmer and pro-people. But it was all because of the fear of losing votes. Now it is very clear after what they have done today. Even before the Budget, people knew. When you called a meeting, when the Prime Minister called all of us and discussed, it was clear that such a step was coming in the Budget. Stocks had been cornered. There were reports in various parts of Andhra itself. We have seen. People had gone to the bank, taken overdrafts and purchased stocks and kept them. You had put July 24th as the dividing line for wholesalers and retailers and all that. You must have known that at many places a wholesaler is also a retailer. By paying just Rs. 200/-, a wholesaler can become a retailer and a retailer can become a wholesaler. This has happened. All the stocks have been cornered. There was an open black-market which led to the looting of fertiliser shops in Andhra Pradesh and other places, firing, lathi-charges, etc. Why were precautionary measures not taken? Why was a blanket order not issued—that old stocks must be sold at old prices? This is my first question.

Secondly, you have announced in the Lok Sabha today that only a 30 per cent rise will be there and you will devise a scheme to compensate the small and marginal farmers. How can it work? It will again lead, as Dr. Sivaji said, to corruption among the revenue officials who have to give certificates. Then there will be cornering or diversion of Rs. 7.00 P.M. stocks in the name of small and marginal farmers and black marketing. It will only lead to further black marketing and corruption. This is not workable. By dividing the farmers into two categories, I don't think you can achieve the objective. What are the steps you are taking to avoid black marketing and corruption?

My third question is, you said in your speech earlier also and you tried to justify it by telling that you will increase the procurement prices. You also know that the small and marginal farmers have no marketable surplus. Nothing is being procured from them. I quote your own Economic Survey, Chapter 6, para 6.4, page 81. You said, "The increase in the prices of essential commodities was due to various factors. Prices of cereals, particularly rice and wheat increased on account of substantial increase in their procurement prices and consequent rise in their issue prices which set the trend for open market price." You criticised the previous Government for increasing the procurement prices and again you are promising that by increasing the procurement prices, you would compensate the farmers. What is this contradiction? Why is there such a contradiction? How can you increase the procurement prices and control the market prices also?

Then one more point is that if at all you think that the subsidies have been there for a long time,

why did you think it necessary to completely wipe them off to the extent of 40 per cent in one year ? You could have evolved a consensus that over a period of ten years or fifteen years, this could have been liquidated. Instead, you have gone to such a steep increase in the price of fertilizers creating a scare in the whole country. Now you are a household name in every village. You are so popular now. Therefore, I request you finally, please withdraw this. This is a very very anti-farmers and anti-people measure and it will not work. You will become unpopular. Of course, this Government go sooner than later. We know it. But please don't expedite your exit by doing such an unpopular thing.

SHRI JOHN F.FERNANDES:

(Goa) : Sir, we can understand the predicament of the Finance Minister. He has to deal with the balance of payments and high rate of inflation of 12 per cent and we can understand his dose of Perestroika. But still it was not proper for the Finance Minister to withdraw the fertilizer subsidy in toto. It would have been proper if the subsidy was withdrawn in phases. The agriculture industry, I feel, is the largest industry in our country. So I would request the hon. Minister to reconsider this matter. In view of the statement made by the Minister of Petroleum and Natural Gas, I think, he is going to save some money on import of petroleum products. I would like to know whether he would reconsider and use this money to import some fertilizer so that the small and marginal farmers are helped.

SHRI RAMNARAYAN GOSWAMI (West Bengal): Thank you, Sir. All the political parties of our country have been expressing their strong opposition against the withdrawal of fertilizer subsidy and the hon. Minister is quite aware of that. Even the Members of the ruling party in various ways have been e^vmessing their resentment

against it and questioning the rationality behind it. Even the hon. Minister is quite aware of the consequences as to what happened in Andhra.. (*Interruptions*).

THE VICE-CHAIRMAN
(SHRI BHASKAR ANNAJI MA-SODKAR): You ask the question.

SHRI RAMNARAYAN GOSWAMI: I am coming to that, Sir. Due to the fertilizer price hike, the Andhra Pradesh peasants have no other alternative but to take to the street and all concerned condemned the police atrocities committed there. In this context, firstly, I may say that in expectation of such hefty rise in the price of fertilizers, the stockists have already sent their stocks underground. The Minister knows it—causing a further additional spurt in the prices. This price rise has come in the midst of paddy growing season when due to paucity of rains, the paddy growers are already groaning under the heavy burden of using high cost diesel to save their parched crops. I want to know whether this increase in the cost of production due to price enhancement of a vital agricultural input like fertilizer is bound to adversely affect the production of kharif crop which has been already suffering due to less than average rainfall in large parts of the country and whether it will also reduce the prospects of rising production of rabi crops whose sowing time is fast approaching. The second part of my question is this. The Minister promises to compensate these rising costs partly by increasing the support price of agricultural products which will hardly be of any help—this is my opinion—to the poor farmers as part of the State produce is more than one-tenth of the total produce which is made in surplus-producing green areas which constitute less than one-sixth of the total cultivable land leaving out other regions where poor farmers predominate. Even in these

[Shri Ramnarayan Goswami] surplus-producing areas the State purchasing operation begins more than a month after harvesting begins forcing poor farmers who have no capacity to hold out, to sell it at throw-away-prices to unscrupulous traders in the district itself. In this state of affairs I want to know what the modalities are by which the Minister intends to compensate the farmers.

श्रीमती कमला सिंहा (बिहार) :
उपसभाध्यक्ष महोदय, आपके माध्यम से मैं मंत्री जी से कुछ सीधा-सीधा प्रश्न पूछना चाहूंगी बिना किसी भूमिका के और हमारे पूर्ववर्ती वक्ताओं ने जिन बातों को कहा, मैं उसको भी दोहराऊंगी नहीं।

महोदय, हमारे देश में लैंड सीलिंग एक्ट लागू है। सीलिंग के हिसाब से आज कोई बड़ा किसान रह नहीं गया कानूनन। इस कानून को झुटला कर बड़े-बड़े हजारों-हजार एकड़ रखने वाले किसान तो हैं ही। मैं केवल इतना ही जानना चाहती हूँ आपसे, कि आप स्माल और माजिनल फार्मर को सबसिडि की सपोर्ट प्राईस देंगे, उनके ऊपर बोझ नहीं डालेंगे, तो स्माल और माजिनल फार्मर इस देश में कितने हैं? कहाँ कितने हैं? क्या इसका हिस्सा या ब्यौरा आपके पास है? अगर है तो इस धान की फसल के समय जब उनको खाद की जरूरत पड़ेगी, आप उनको खाद कैसे मुहैया करायेगे? आपके पास इंफ्रास्ट्रक्चर क्या होगा? मशीनरी क्या होगी?

दूसरा, मैं यह भी जानना चाहती हूँ कि ग्रीन रिवोल्यूशन के बाद हमारे यहां जिसके पास एक एकड़ जमीन भी है, अगर वह सब्जी उगाकर बेचता है तो वह भी खाद का इस्तेमाल करता है। आपने अपने भाषण में उस दिन कहा कि छोटे किसान, माजिनल फार्मर, स्माल फार्मर, वह किसान खाद का इस्तेमाल नहीं करता है। यह सही नहीं है। आज खाद का इस्तेमाल थोड़ी सी जमीन रखने वाला

भी करता है क्योंकि उसके बगैर उपज हो नहीं पाती। तो, महोदय, मैं आपके माध्यम से इतना ही जानना चाहती हूँ कि आपके पास इंफ्रास्ट्रक्चर क्या होगा, जिसके माध्यम से स्माल एण्ड माजिनल फार्मर की सूची यह तैयार करेंगे? उनको सबसिडि के साथ खाद मुहैया करायेगे? उनको सपोर्ट प्राईस क्या देंगे? बड़े फार्मर, जिनके ऊपर सबसिडि हटाकर वह बोझ लादना चाहते हैं कीमतों का, फिर उनकी सूची आपके पास है क्या? अगर है तो सदन को अवगत कराये। धन्यवाद।

श्री भूपेन्द्र सिंह मान (नाम-निर्देशित)
माननीय उपसभाध्यक्ष महोदय, उस दिन 30 तारीख को मैंने ही सप्लीमेंटरी किया था, जिसके ऊपर सारी चर्चा हुई। मैं उसको आगे बढ़ाना चाहता हूँ। मैं फायनेंस मिनिस्टर से, खासतौर पर इनसे यह पूछना चाहता हूँ कि यह सारा रोड़ा-रप्पा, कि किसान को सबसिडि दी जाती है, वह यह बताये कि क्या सचमुच में यह सबसिडि किसान को ही दी जाती है? यह पहले कहते रहे हैं, जब यह पहले रिजर्व बैंक में थे, गवर्नर थे, यह कहते रहे हैं कि यह सबसिडि इन रियल टर्म किसान को जाती नहीं है। फिर किसान को यह सबसिडि जाने वाली बात यह छोड़नी चाहिए और इसको बताना चाहिए कि यह सबसिडि जा किधर रही है?

दूसरा, किसान यह कहते हैं, सारे देश के किसान की हालत यह है कि वह कह रहे हैं कि हमें भीख नहीं चाहिए, हमें अपने पसीने का दाम चाहिए। उनको उनकी मेहनत का दाम नहीं दिया जाता। उसका हिस्सा लगाने के लिए भारत सरकार ने एक कमेटी बनाई थी स्टेडिंग एडवाइजरी कमेटी। यह उसकी रिपोर्ट है मेरे हाथ में, यह स्टेडिंग एडवाइजरी कमेटी की रिपोर्ट में कहा गया है कि 50 परसेंट से भी कम किसान को कास्ट आफ प्रोडक्शन दिया जाता है और फिर यह कहा जाना कि किसान की हालत

बहुत अच्छी है और उसको हम सबसिडी दे रहे हैं, यह बिल्कुल गलत बात है। इस बात को भी ध्यान में रखना चाहिए और हमें बताना चाहिए कि वास्तव में पोजिशन क्या है? मैं समझता हूँ कि आदरणीय फाइनंस मिनिस्टर, जैसे कि उन्होंने पहले कहा कि यह सदन को बढ़ावे वाली बात नहीं करेंगे, सही-सही बात करेंगे, मुझे विश्वास है कि इस बात के संबंध में भी यह साफ बात हमें बतायेंगे।

इसके साथ-साथ जब से हम आजाद हुए हैं, उस वक्त हम किसान 29 करोड़ थे और अब बढ़कर 58 करोड़ हो गए हैं और हमारा ग्राम प्रोडक्शन जो है, ग्राम डोमेस्टिक प्रोडक्शन जो है, वह कम होकर 60 परसेंट से 30 परसेंट रह गया है और उस वक्त की जो हमारी डिस्पेन्डि गांव और शहर की थी, उस वक्त एक और चार की थी आज बढ़कर एक और छः की हो गई है। तो इन हालात में, अभी जैसा उन्होंने कहा कि हम तो जो फर्टिलाइजर इन्डस्ट्री है, उसको बचाने के लिए यह सारा कुछ कर रहे हैं। एक तरफ तो यह कहा जाता है कि फर्टिलाइजर इन्डस्ट्री को बचाने के लिए किया जा रहा है और दूसरी तरफ यह बात साफ है कि बाहर फर्टिलाइजर सस्ता है, मंगाया जा नहीं सकता, फिर भी हम मंगाने को कोशिश करते हैं लेकिन धन नहीं है। तो ऐसी स्थिति में जो किसान में फ्रस्ट्रेशन है—आन्ध्र में हुआ, अब पंजाब में 8 तारीख को किसान सड़कों पर आने वाले हैं, उन्होंने अनाऊस किया है और 13 तारीख को वे राष्ट्रपति को नोटिस देने वाले हैं कि फर्टिलाइजर की जो कोमत पहले थी, वही रखो और हमें हमारी कास्ट आफ प्रोडक्शन दो, हमारी मेहनत का दाम दो नहीं तो हम इसकी प्रोडक्शन कम कर देंगे, फर्टिलाइजर डालना बंद कर देंगे। आप तो कहते हैं कि फर्टिलाइजर हम दे नहीं सकते और किसान यह कहता है कि हम उसको डालना बंद कर देंगे, तो फिर देश का क्या हाल होने वाला है। इसके हिसाब से जो कमी आएगी प्रोडक्शन में, उससे जो देश को नुकसान होने वाला है, उसके

बारे में यह चर्चा में बतायें। यह फाइनंस मिनिस्टर और एग्रीकल्चर मिनिस्टर दोनों से संबंधित सवाल हैं, इसलिए मैं निवेदन करूंगा कि ये इन पर जवाब दें।

श्री छोट भाई पटेल (गुजरात) : वाइस चैयरमैन साहब, यहाँ पर वित्त मंत्री जी ने आर्थिक संतुलन के बारे में जो कुछ कहा है, इसकी मैं सरहाना करता हूँ। इसमें जो परिश्रम उठाया है, यह बहुत जरूरी था और मैं शुक्रगुजार हूँ कि छोटे फार्मर्स के लिए, माजिनल फार्मर्स के लिए सबसिडी के बारे में छूट दी गई है। मैं इस सदन से कहना चाहूंगा कि आर०आर०वी० का जो कांसेप्ट हमारी स्वर्गीया इंदिरा गांधी जी ने शुरू करवाया, तब इसके पीछे जो मकसद था, उसका अब क्या हाल हुआ है, उसके बारे में वित्त मंत्री जी अच्छी तरह से जानते हैं और मैं सबसिडी के बारे में कह रहा हूँ कि सबसिडी की जो फिलॉसफी है, इसका जो कांसेप्ट है, उसके मुताबिक अभी हमारे देश में सबसिडी की कैसी सिचुएशन है—चाहे कोई भी सबसिडी हो, इसके बारे में मैं जानना चाहता हूँ? इसलिए आपके माध्यम से मैं सरकार से कहना चाहूंगा कि इसके बारे में कुछ अमेंडमेंट करना चाहिए, कुछ सुधार लाना चाहिए कि सबसिडी एलीमेंट्स के बारे में हमें इस देश में क्या करना चाहिए? परमानेंट सबसिडी को जारी रखना चाहिए या इसके बारे में कुछ सुधार करने चाहिए? मैं आपके माध्यम से यह चाहूंगा कि सबसिडी को प्रोडक्शन के साथ जोड़ना चाहिए वरना हरेक प्रकार की सबसिडी का जो बेनिफिट है व एलीजिबल बेनिफिशियरी तक नहीं मिल रहा है, इसलिए अभी भी जो सवाल और माजिनल फार्मर्स हैं, उनको जो सबसिडी के बारे में छूट दी गई है, वह एलीजिबल बेनिफिशियरी को भी नहीं मिलेगी, ऐसा मुझे लगता है और उसमें अफ्लाचार भी चलेगा। तो इसके बारे में वित्त मंत्री जी को सोचना चाहिए। बार-बार मैंने इस हाउस में कहा भी है कि सबसिडी की प्रोडक्शन के साथ लिंकेज

[श्री छोटू भाई पटेल]

करना चाहिए, तो एलिजिबल बेनिफिट-सरीज को इसका बेनिफिट मिलेगा, वरना सब्सिडी एलीमेंट ऐसी चीज है कि सही फार्मर्स को बेनिफिट नहीं मिल रहा है, ऐसा मुझे कहना है। धन्यवाद।

श्री जगदीश प्रसाद माथुर (उत्तर प्रदेश) : श्रीमन्, मैं खास तौर से एग्री-कल्चर मिनिस्टर महोदय का ध्यान चाहूंगा। समाचार पत्रों में जो 100 करोड़ रुपये के घपले की बात निकली है, वह सही है। इसीलिए आवश्यकता इस बात की है कि गहराई से जांच की जाये। आपकी जो प्राईस पोलिसी है, जिस पर हम डिस्कस कर रहे हैं, घपला वहां पर है और कहां से शुरू होता है। सबसे पहले प्रोजेक्ट वैल्यू इनफ्लैटिड होती है। तो मेरा आग्रह यह है कि जो प्रोजेक्ट वैल्यू आपकी है, उनको एक बार रिवाइज कर लीजिए। दूसरे, रिटेंशन प्राईस जो आप केलकुलेट करने हैं उसमें बहुत बड़ा घपला है। आपके आफिसर, क्लर्क और कारखानेदार बराबर मिले हुए हैं। आपका सिद्धांत नामेली यह है कि 80 परसेंट केपेसिटी के आधार पर रिटेंशन प्राईस आप केलकुलेट करने हैं। कहीं पर 60 परसेंट पर करने हैं। यह गलत है। ऐसे उदाहरण हैं, जो सेंट-परसेंट यूटिलाइजेशन है बल्कि कहीं ओवर सेंट-परसेंट यूटिलाइजेशन है, तो उनका जो एक्च्यूल यूटिलाइजेशन है उसके आधार पर आप रिटेंशन प्राईस केलकुलेट करें। 80 परसेंट का जो आपने 60 परसेंट बनाया है, यह गलत है।

एक मराठा कमेटी बनी थी। मराठा कमेटी ने आपको रिक्मंड किया था कि ग्रुप प्राईसिंग पोलिसी होनी चाहिए। चार प्रकार के उर्वरक हैं। उनमें से एक-एक, एक-एक आप लेते हैं एक-एक यूनिट को। आग्रह यह है कि जिस प्रकार के चार यूनिट हैं उनकी एक प्राईस पोलिसी इकट्ठी बनानी चाहिए। कारण क्या है? एक-एक कारखानेदार आता है, पैसा देता और फिर चला जाता है। मेरी जानकारी है कि आपके पास केवल दो कास्ट एकाउंटेंट्स हैं जो कि दो सौ

यूनिट्स को देखते हैं। तो एक्च्यूल प्राईस कोई जाकर नहीं देखता। जैसा मैंने प्रारम्भ में कहा कि जो प्रोजेक्ट वैल्यू हैं वहां से लेकर रिटेंशन प्राईस तक सब घपला है। तो क्या आप मराठा कमेटी की ग्रुप प्राईसिंग पोलिसी की जो रिक्मंडेशनस हैं, उसको लागू करेंगे? दूसरे, जो आपके पास दो कास्ट एकाउंटेंट्स हैं, जो कागज पर बैठे रहते हैं, कुछ करते नहीं, कोई चैक नहीं करता और जब कारखानेदार आता है, पैसा देता और फिर चला जाता है। 100 करोड़ रुपये के घोटाले से आपकी आंख खुल जानी चाहिए। तो मेरा आग्रह है कि जितनी आपकी प्राईसिंग पोलिसी है उसको पलट दीजिए और सारा चार्ट मंगा लीजिए ईमानदारी से कि किस-किस कारखाने का कितना कितना यूटिलाइजेशन हुआ है, उनकी केपेसिटी देखिये। आपका कोई कास्ट एकाउंटेंट उनके चार्ट के हिसाब से यूटिलाइजेशन देखता नहीं है। तो मेरा आग्रह है कि सारी प्राईसिंग पोलिसी बदलिये, चार्ट बनाइये एक-एक कारखाने का और पिछले 5 साल का चैक कर लीजिए एण्ड आई बेट, यदि आपने 5 साल का चैक कर लिया और कारखानेदारों की बेईमानी आपने रोक दी तो आपकी प्राईसिंग कम से कम आधे से भी कम रह जायेगी।

मेरी आप से यह भी मांग है कि अगर आप जांच न करें तो पार्लियामेंटरी कमेटी बना दीजिए। पिछले पांच साल का रिकार्ड देखकर हम आपको पकड़कर बता देंगे।

श्री अनन्त राम जायसवाल (उत्तर प्रदेश) : मान्यवर, आपके माध्यम से मैं मंत्री जी से कहना चाहता हूं कि जब कभी किसानघाती या जनघाती काम किया जाता है तो हवाला दिया जाता है कि बजट का घाटा बहुत है, वित्तीय स्थिति बहुत खराब है। उसके बारे में मैं पूछना चाहता हूं कि और कौन-कौन से सरकारी खर्चों की मदें हैं जिनको आपने काटा है और किसान पर हमला किया है, इससे पहले आपने किन-किन मदों पर

खर्च कम किया है ? आपने कोई तेल बचत की योजना बनाई ? सरकारी खर्चा और जो फिजूलखर्ची है सरकार में, उसको कम किया ? यह जो मोटरों में टेलीफोन लगे हैं, क्या इनको आपने हटाया ? कौन-कौन सी भट्टें ऐसी हैं जिनमें आपने खर्च को घटाया, या खाली किसान पर ही आपने बोझ डाला ।

दूसरी चीज मैं यह कहना चाहता हूँ कि किसान की खाद आपने काट ली, खराब काम किया । इसलिए खराब काम किया कि आप देख लीजिए कि जो राज्य संपन्न है वहाँ पर खाद की खपत ज्यादा है, जैसे पंजाब को आम तौर पर ले लीजिए, उसका लुधियाना जिला ले लीजिए । लेकिन उत्तर प्रदेश और बिहार के राज्यों में चले जाइए तो प्रायः वहाँ पर खाद की खपत नहीं है । इस चीज को ध्यान में रखकर कि वे खाद का इस्तेमाल पूरी तौर पर नहीं कर पाते, क्या आप यह तय करेंगे कि जो किसान की उपज है उसको जो प्राइसपॉलिसी है और इसी तरह से कारखाने की जो उपज है उसके दामों में पैरिटी हो ? ये दो सवाल हैं जिनका मैं स्पष्टीकरण चाहता हूँ ।

SHRI MANMOHAN SINGH: Sir, I had anticipated some of the questions that were asked today by some of the Members. In fact, I had answered a few of them. However, I will try to the best of my ability to answer the questions of the hon. Members. One of the hon. Members asked as to why the subsidy on domestic fertilizers was greater than that on imported fertilizer. It is a fact that international prices of fertilizers are below the domestic cost of production. As such, subsidy per tonne is less on imported fertilizer than on domestic fertilizer. But, today, we do not have the option to import more fertilizer as it involves foreign exchange. If we had enough foreign exchange, in that case we could bring in more fertilizers, the burden would be less, there would be greater competition in the Indian market also, and so our producers

would also be under compulsion to reduce cost as suggested by several hon. Members. But, today, that option is not open to us because we do not have foreign exchange. It is equally important to know that we import mostly DFA phosphoric acid and MOP, while in urea we are almost self-sufficient. An hon. Member asked as to why we did not produce more phosphoric acid. The answer is, even if we were to produce domestically phosphoric acid we would have to import 85 per cent of the raw material, that is, rockphosphate. We are highly deficient in this basic raw material. As far as ureate of potash is concerned we have to import because potassic fertilizers are imported to the extent of 100 per cent of our needs. A question was asked as to why phosphoric acid is imported. We need to import it because we have very nominal reserves of phosphate in our country and hence 85 per cent of the raw material will perforce have to be imported, hon. Member, Shri Ambedkar, said that we propose to compensate the farmers by increasing the procurement prices but that would affect only 15 per cent of the produce and how will that suffice. I would like to tell the hon. Member that procurement prices in our country are support prices. They are not obligatory in the sense that the farmers are not compelled to sell to the State. They are not a levy. They set the floor and if you set procurement prices at a particular level, under normal conditions, market prices would be higher than the procurement prices and that is normally the rule. Therefore, by tinkering with procurement prices you assure that, even though we procure only 15 per cent of the produce, the rest of the produce also would get a higher floor price. Hence increase in procurement prices is an effective mechanism for safeguarding the interests of those farmers who have market surplus. Now, Mr. Mahajan asked why we say that the small farmers do not have

[Shri Manmohan Singh] market surplus when every farmer has a market surplus. If that is the case those farmers would also benefit by the increase in procurement prices in addition; they will be doubly benefited. It is because, as I announced in the Lok Sabha today, we are not going to raise the fertilizer prices as far as the small and marginal farmers are concerned. They will be getting double benefits and that should be a source of satisfaction to the honourable Member rather than a source of criticism of what the Finance Minister has done.

I think Mr. Mishra asked several questions and I tried to take notes. One of the questions asked was whether we can reduce the prices of fertilizers through a reduction in the price of natural gas. I must confess to you that I am not the Minister for Fertilizers and I do not have any great knowledge of how the prices are fixed in this industry. But I would like to share with the Members at the fact that if you reduce the price of natural gas, that is only a book-keeping entry because, if you give the ONGC or the Gas Authority of India a lower price, you can certainly show that the fertilizer prices can be lowered, but then you would have to increase the oil prices elsewhere. Otherwise, there would be a decline in the surplus that is available to the oil industry for ploughing back. I was here when the honourable Minister for Petroleum gave the House the news that we have discovered some additional reserves of petroleum.

But discovering reserves is one thing and converting them into production is another. It will take years before those reserves are converted into production on the ground. And, if you want to convert them into production, you need a lot of money because petroleum is a highly capital-intensive activity. If you think that you are going to solve the problem of the fertilizer industry by starving the ONGC of the needed resources, then you may be falling from the

frying pan into the fire and that will be a remedy worse than the disease.

Shri Mishra also asked "why don't you do something about the transport and storage costs?". Well, I take note of that suggestion and I think that is a suggestion worth examining and I will convey that to the concerned Ministers.

Now, as regards the retention prices, several honourable Members have expressed their views. Some have criticised one particular method of fixing the prices. Also, I think, it has been suggested that we should go back to the Marathe Committee's suggestion of fixing the prices not on the basis of individual units, but on the basis of groups. All I can say is that I would convey his concern to the honourable Minister of Fertilizers. As for the suggestion that has been made as to whether there should be a parliamentary committee to deal with it, I will convey that also to the Minister of Fertilizers.

Another question has been asked: "Why are you giving fertilizers to plantations like coffee, tea, etc. at the same price?". Obviously, there must be some reason, administrative reason or other reasons, why it is not possible to fix the prices for each and every industry separately. Beyond that I do not have any other answer to his particular question right now.

The honourable Member, Shri Upendra, whose opinion I greatly value otherwise, said that this particular thing is most unwise and it would, according to him, lead to my early exit. I can assure him that that does not worry me. If as Finance Minister I do not worry about the finances of the country and if I worry about my own popularity, then I think that I would not be worthy of the confidence that our country has reposed in me.

I also take note of what he has said. He has said that stocks have been cornered. I think it is a fact

that this matter has been under discussion for months. As he himself has said, when the Chandra Shekhar Government came to power, they were also considering this thing. Therefore, there has been, I think, a feeling that sooner or later, the prices are going to be raised. Although the honourable Members may not like, most of the people in our country know the underlying reality and so, they were expecting that something was bound to happen. Now, I do recognise that in that atmosphere, I think, some speculation takes place, some cornering of stock takes place. But then such is life. I think, life is not a straight linear path. I think, these things happen when you take decisions which are as discrete as we have taken.

Well, another point has been made, I think, by Mr. Upendra and many other Members on our side also that the scheme that we have devised might lead to some administrative problems, it might lead to corruption. I am sure, my colleague, the hon. Minister for Agriculture will take care of those concerns. I think, we ourselves are aware that these things can happen, it will be the responsibility of our Administration to minimise the scope of such leakages. Well, a question has been raised about the effect of changing fertilizer prices on the issues of fertilizers. Now my honest answer to this question is that it all depends. If you have good rainfall, my own feeling is that this particular increase in fertilizer prices will not affect fertilizer issues, particularly when we have assured the farmers that we will try to compensate them by way of increase in procurement prices. Also, I would submit that since we have changed the exchange rate, a large number of export products, agricultural products have overnight become far more profitable than they were before. In fact, I think, my distinguished colleagues from Andhra Pradesh

should be particularly happy that the products like tobacco would fetch more rupees than ever before. And, therefore, if there is a small increase in the cost of cultivation, I think, that would be more than taken care of by the increase in the rupee realisation from export proceeds. The same would apply to tea, the same would apply to coffee, the same would apply to a large number of agricultural products which are exported from here. Therefore, I do not expect that there would be any sharp decline in fertilizer use or the production of kharif or rabi will fall.

DR. YELAMANCHILI SIVAJI: What about Shri Lanka and Poland? When subsidies were reduced the prices of fertilizers went up, and at the same time the agricultural production went down.

SHRI MANMOHAN SINGH: Why do you go to Sri Lanka? I am going to give the Indian example. I have the figures. I mentioned to you earlier.

On the 1st of June, 1974, the prices of fertilizers were increased by 90 to 140 per cent. The price of urea was increased by 90.48 per cent, and the total consumption of nitrogenous fertilizers in that year fell by a small amount of 3.6 per cent. And don't forget that was a drought year. And as far as the price of DAP was concerned, it was raised in that very year by 140 per cent. There was a fall in use by about 27 per cent. There was an increase in the MOP price of 81 per cent, but only 6.58 per cent decline in consumption. And then you come to 1980. The experience was exactly the opposite. On the 8th June, 1980, the prices of urea were increased by 38 per cent and the consumption of nitrogenous fertilizers went up by 5 per cent. The price of DAP was increased by 39 per cent and the consumption of phosphatic fertilizers

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went up by 5.18 per cent. (*Interruption*) you listen to me because this exactly the opposite to what you have been saying. The price of MOP was increased by 36.6 per cent, and the consumption of potashic fertilizers went up by 3 per cent. Therefore, on the basis of the data that I have, I think, there is no basis for conclusion that this increase in the price of fertilizers is going to hurt agricultural production. If there is going to be any harm, we would remain alert, the hon. Minister for Agriculture will remain alert. We are as keenly interested in agricultural development as the hon. Members on the other side of the House are.

SHRI PRAMOD MAHAJAN:
Procurement prices must be declared immediately so that they can start using fertilizers.

SHRI MANMOHAN SINGH: An hon. lady Member, said that there are no big farmers now and that if you have details of small and marginal farmers you let us know. We do have, Madam, details of small and marginal farmers.

We also know what is the amount of area under cultivation by small and marginal farmers. We do have separate schemes for small and marginal farmers. Therefore, while there may be administrative problems, I do not believe there will be insurmountable problems in implementing the schemes that we have.

Now, I think Shri Mann on this side, while quoting some of the statement which I must have made in my earlier incarnation.. (*Interruptions*).. said that the subsidy did not percolate to the farmers. Now, I think it is quite true that because our fertilizer industry is not as efficient as elsewhere, and also because the input price in our country is not as low as in many other countries the price of natural

gas for various reasons is much higher than the price of natural gas in other countries—for all these reasons the price of domestic fertilizers is higher than the price of imported fertilizers. If we have ample foreign exchange then we simply say: well, the loss-making units in the public sector or in the private sector we could allow them to die, we would not starve our farmers and we would allow our farmers the import of whatever fertilizers were needed. I mentioned more than once before that, unfortunately, that option we do not have. So the choice that our farmers have is not cheaper imported fertilizers *versus* no. The choice today is to have only domestic fertilizers. If you say that you are not going to have that, well, we cannot give them imported fertilizers in the situation when foreign exchange is simply not available.

I was also asked about the disparity between the urban and rural areas. Now, I do share this concern. While replying to the debate on the other side I did say that I am very worried that this urban-rural divide is widening, that it is very explosive and therefore we must take measure which cut the root of this widening disparity. And [also said in the other House that if you look at this problem in depth you cannot resolve these tensions by giving subsidies to 70 per cent of the population. There is no mechanism in the world which can say that you give subsidies to 70 per cent of the population. The country will go bankrupt, and I think all the talk of social justice and removing disparity will come to naught. The only way to deal with urban and rural disparities is to strike at the root of the problem, and the root of the problem is that we have an excessively protected industry. You have been talking of inefficient fertiliser industry. That is true of most

branches of Indian industry. But we have to live with it. We cannot overnight get away from a highly protected, from the inefficient industrial structure. We have to gradually subject this industry to greater competition—both domestic competition and foreign competition. We cannot afford to kill our industry because if you kill that industry the farmers would be the sufferers. And that is why we have this new strategy which seeks to reduce the level of protection given to industry. If that strategy works out, you might see in this country for the first time a most emphatic programme seeking to bridge the gap between the rural and urban divide. This urban-rural divide cannot be bridged by giving handouts to agriculture or the farmers in our country.

Now, another question was raised whether this will lead to a decline in production. My answer is that under normal conditions this is not likely to happen.

Several questions were asked. I think Shri Mathur asked about the fraud of Rs. 100 crores. I do not know anything about it. If my hon. colleague, the Minister of Agriculture, knows something about it I would request him to supplement.

He also referred to the lacunae in the fixation of retention Prices. I take note of his concern. I will have it conveyed to the hon. Minister of Fertilizers as well the suggestion that there ought to be a parliamentary committee to look at this whole system.

Then, one last question was whether we are cutting subsidies or we are cutting expenditure as such. Sir, I mentioned in my Budget speech that we are now in the process of cutting expenditure, wasteful expenditure, wherever it exists. We have cut at one go the export subsidy worth Rs. 3000 crores. We have also reduced subsidies in a

number of areas. We have also begun a process of looking at all administrative expenditure. I have asked all the Ministries of the Government of India to priorities their activities. I am hoping that by 31st August this work will be completed. When that report will be available to me I will discuss with my colleagues and hon. Members of the House as to how at the lowest rungs of the ladder we can remove certain proportion of activities which have outlived their utility. I will come back in this House with the measures that we can adopt without affecting the efficiency of Government work. I assure you. (*Interruptions*).

SHRI P. UPENDRA: Wish you good luck. No Finance Minister has succeeded so far.

SHRI MANMOHAN SINGH: I think, history does not repent itself. In this case it is not going to be repeated.

MESSAGES FROM THE LOK SABHA

- (I) The Delhi Municipal Laws (Amendment) Bill, 1991.
- (II) The Jammu and Kashmir Criminal Law Amendment (Second Amending) Bill, 1991.

SECRETARY-GENERAL: Sir, I have to report to the House the following messages received from the Lok Sabha, signed by the Secretary-General of the Lok Sabha:—

In accordance with the provisions of rule 96 of the Rules of Procedure and Conduct of Business in Lok Sabha, I am directed to enclose the Delhi Municipal Laws (Amendment) Bill, 1991, as