

(b) if so, whether Government are considering any such proposal; and

(c) if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN):
 (a) to (c). Wage increases unrelated to productivity are not conducive to general price stability. At the same time it does not follow that a wage freeze is necessary in order to curb inflation. The "Approach to the Fifth Plan" sets out the guidelines for the wage policy; no general freeze on wages is contemplated therein.

Credit Policy of Nationalised Banks

685 **SHRI RAMAVATAR SHASTRI:**
 Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to change their credit policy through banks in view of the difficulties which a small farmer, a technocrat and a small village artisan face while borrowing money from the nationalised banks;

(b) if so, the salient features of the proposal, and

(c) the total deposits made in the nationalised banks during 1970-71 and 1971-72.

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN):
 (a) and (b) The lending policy pursued by the banks since nationalisation takes into account the special needs of the weaker and hitherto neglected sections of the society. While scrutinising the applications of borrowers belonging to these categories, the banks lay greater stress on the productive nature of the endeavour and its viability than on security considerations. The committee on banks' credit schemes with reference to employment potential has evolved a set of simplified model application forms for borrowers of these sectors and these have been recommended to the banks for adoption. The question of

simplifying the procedures for lending to these sectors is also under active consideration.

(c) The aggregate deposits, excluding inter bank deposits, of the nationalised banks as on the last Friday of March, 1970, 1971 and 1972 are as under:

As on the last Friday of March	Amount Outstanding Rs. in crores.
1970	2815
1971	3374
1972	3897

Grant of Loan by Nationalised Banks to big Business Houses at lower rates of Interest than that charged from Weaker Sections

686 **SHRI YESHWARA REDDY:**
SHRI MUKHTIAR SINGH MALIK

Will the Minister of FINANCE be pleased to state:

(a) whether some of the nationalised banks including the State Bank of India in a bid to attract clients for the surplus funds have started offering advances at rates half to one per cent lower than the normal rates of interest;

(b) whether the President of the All India Bank Employees Association has alleged that while the poorer and weaker sections of borrowers continued to get their credit requirements at higher rates, the big business houses got the benefit of the low rates offered; and

(c) if so, whether Government have taken any steps to discourage such discriminatory lending by the banks?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN):
 (a) to (c). When it came to the notice of the Reserve Bank of India that