

- (v) **Need to re-open the LPG agency at Shahabad, district, Hardoi, Uttar Pradesh and open another LPG agency there**

SHRI SURENDRA PAL PATHAK (Shahabad): Mr. Speaker, Sir, Shahabad is an important town of district Hardoi in Uttar Pradesh. There is a municipal committee and there are many Government offices here. It is a flourishing commercial centre also. An LPG agency was opened here which was closed down due to the mutual differences of the shareholders of the agency. As a result, the inhabitants can't get the LPG for cooking food etc. and they have to face many difficulties.

I urge upon the Central Government to immediately re-open the LPG agency at Shahabad in district Hardoi of Uttar Pradesh and also open another LPG agency to cater to the needs of the area.

- (vi) **Need to start weekly direct flight from Lucknow to Gulf countries and Thailand/Kathmandu (Nepal)**

SHRI MOHAN SINGH (Ferozpur): Mr. Speaker, Sir, a large number of people of Uttar Pradesh have since a long time been residing in the Gulf countries (Thailand) and Singapur. As a result of the Government's liberalised economic policies, there has been a remarkable increase in trade and commerce of Uttar Pradesh with these areas and people in large numbers have been transmigrating between these places but they have to face great difficulties in the absence of a direct flight from the capital of Uttar Pradesh, Lucknow to the Gulf countries and Thailand. The immigrant passengers have to face many difficulties at airports situated outside the state. Therefore, I demand that a weekly direct flight from Lucknow to Gulf countries and Thailand/Kathmandu may be started on an experimental basis.

- (vii) **Need for Formation of an action plan for cleaning Taldanda Canal in Orissa and providing financial assistance for the purpose**

[English]

SHRI GOPI NATH GAJAPATHI (Berhampur): The 83 kilometer long Taldanda in Orissa is posing a serious health hazard for people residing on its banks. This canal from Mahanadi at Cuttack and Antharbanki in Paradip was conceived about one hundred years ago for facilitating navigation and irrigation of the region. This is following the great famine in 1886 and the rehabilitation of famine victims. Apart from navigation and irrigation, the canal was catering to various requirements of the people living along both the sides of the canal. It is revealed from a survey that this canal now poses a serious health hazard for people residing on its banks. Majority of the people settled on the canal's bank during the last century had been suffering from helminthiasis, aritaminosis, gastrointestinal disorders and skin diseases. An epidemic might break out because of the polluted waters of the canal.

The survey also revealed that the biochemical oxygen demand, coupled with the chemical oxygen demand and the coliform contents in the water of Taldanda canal have increased at an alarming rate over the past six years. The abrupt rise of these constituents has made the situation worse for the people who are dependent on the canal for their daily functions like washing, bathing, cooking and fishing. Unless immediate steps are taken to stop the

pollution of that canal, it will pose a great threat to the survival of the people living on its banks.

Hence, I urge that an action plan be formulated by the Government of India, for cleaning Taldanda Canal and to provide one hundred per cent Central Assistance for implementing that plan without further delay.

MR. SPEAKER: The House now stands adjourned to reassemble at 2.25 p.m.

13.22 hrs.

The Lok Sabha then adjourned for Lunch till Twenty-Five Minutes past Fourteen of the Clock.

14.34 hrs.

The Lok Sabha re-assembled after Lunch at Thirty-Four Minutes past Fourteen of the Clock.

[SHRI SHARAD DIGHE in the Chair]

STATUTORY RESOLUTION RE: DISAPPROVAL OF THE INDUSTRIAL DEVELOPMENT BANK OF INDIA (AMENDMENT) ORDINANCE; AND

INDUSTRIAL DEVELOPMENT BANK OF INDIA (AMENDMENT) BILL — *Contd.*

[Translation]

MR. CHAIRMAN: The time allotted for this Bill is practically over. I request the Members to be brief. Shri Chitta Basu.

SHRI CHITTA BASU (Barasat): Sir, I rise to oppose the Bill. I am opposed to the Bill because the philosophy behind the Bill is retrograde. Provisions are there in it for privatisation of the Industrial Development Bank of India. Sir, it is an integral part of Government's policy which is called SAP, the Structural Adjustments Programme. The structural adjustments programme as suggested and advised by the International Fund and the World Bank imposed some conditionalities for sanctioning loans etc., on the Government of India. In order to get that loan the Government had to accept the conditionalities.

Sir, you may know that in the recent years several Committees were set up in order to advise the Government as to how the structural adjustments programme will be implemented within the general parameters or the conditionalities of World Bank and International Monetary Fund. Here, I refer to the Goswami Committee; I refer to the Narasimham Committee; I refer to the Malhotra Committee; and I also refer to, among others, the Committee on Telecom. All these Committees have taken upon themselves to suggest ways and means for implementation of the structural adjustments programme by way of privatising a large segment of our public sector undertakings. I particularly refer to these Committees which deal with financial sectors of our economy. Sir, you will be concerned to know that Goswami Committee was set up to advise the Government as to how sick industries are to be revived. I will come to it later. Then, Narasimhan

Committee was set up in relation to the structural adjustments programme with regard to the banking services of our country; and the Malhotra Committee was set up in regard to the Life Insurance Corporation.

Sir, all these are a part of the GATT agreement also which forced the Government to allow the multinational corporations into the financial sector of our economy. Sir, by adopting this Bill we shall be forced to privatise the Industrial Development Bank of India also, which was exclusively a public sector financial institution. I would say that this is one of the measures to implement this Government's discredited, anti-people, and anti-national economic policy.

Sir, even the Prime Minister is reported to have said after the Assembly elections in Andhra Pradesh, Karnataka and elsewhere, that this economic programme has not been useful for the people; it has worked against the interests of the people; and it is harmful to the people. Some of them have come out and more are coming out increasing with louder voices. Reforms are to be there but reforms are to be meant for improving the condition, life and work of the people.

There is pro-people economic reforms. That is a good idea. We do not say that there should not be any reforms. Reforms are necessary. But in whose interest the Reforms should be done? It should be done in the interest of the people. I think the House will welcome that measure. The Government which has formulated this new economic policy, the Members of the Treasury Benches and even the Prime Minister himself, are coming out in increasing number by saying that the reform programmes should be oriented towards people's interest. As a matter of fact, the Bill wants to implement the anti-people reforms viz., the economic reforms in our country. Therefore, I am opposed to the very principle underlying the Bill.

In this connection I want a clarification on only two points. The industrial development also includes the area of sick industries. Sickness of industries is one of the illnesses of the industrial development. At present, as far as my figure goes, more than 59 Central PSUs have been declared sick and have been referred to the BIFR. The number of State PSUs is still higher. Many private sector companies and corporate sector companies have also been referred to the BIFR. Will this IDBI money be available for the revival of these projects as suggested by the BIFR?

Sir, there is no specific provision for that. My question is that if the money meant for the industrial development, do the remedial measures of industrial sickness not a part and parcel of industrial development? If that is so, then this IDBI should offer financial assistance or invest money in the sick industries also. As a matter of fact, I have said that no nationalised bank has yet — I do not know about the IDBI — accepted any revival project or any revival scheme suggested or advised by the BIFR. Now, I want to know whether the Government will see that funds from this IDBI are also made available for implementing the revival projects of the sick industrial units. As a matter of fact, to my utter surprise, the Goswami Committee had

made a very, very simple suggestion viz., close as many sick industries as you can and close them as quickly as possible. There is no question of their revival. Therefore, Sir, I take this opportunity to draw the attention of the Government, through you, towards various programmes for the revival of the sick industries.

Lastly, I want to know about the National Renewal Fund. Nothing is heard about it. There was a budgetary provision of Rs. 500 crore. I do not know what has happened to that fund. Has that money been ever spent for any renewal purposes?

I want an answer for these two queries.

With the few words, Sir, I oppose this Bill.

[Translation]

Dr. S.P. YADAV (Sambhal): Mr. Chairman, Sir, the Industrial Development Bank (Amendment) Bill presented by the Hon'ble Minister, in fact, needs to be reconstituted but its benefits should not be restricted to big industrialists alone and medium and small industrialists should not be devoid of its benefits. A provision activating the working of the Banks should be included in this Bill. We are apprehensive about the number of people getting benefited from the benefits of the Industrial Development Bank. Its benefits are not reaching the common people and the ordinary industrialists. There is need to activate its functioning and open its branches at district and Tehsil levels. Besides, the interest rate on loans should be lowered, the procedure of recovery simplified and implemented uniformly. The Banking system should be made resilient. Simultaneously, the future industrialists or those who want to proceed in this direction should be fully apprised about its benefits and facilities so that they can earn profits from their industries after availing themselves of the loans advanced by the Industrial Development Bank.

In many states of the country, there is virtually no industrial development. There are no industrial facilities available there. Facilities of Industrial Development Bank should be extended to those small states and people should be encouraged through Banks for setting up industries in backward areas. IDBI shall strongly have to come forward in the market for encouraging industries at par with other financial institutions and there is also need to assess the lacunae present in the traditional institutions which have been distributing loans to industrialists in this direction.

I would like to add one more thing that the Uttar Pradesh Financial Corporation in its verdict about Aroma Chemical Industry, Chandausi said that there is an amount of Rs. 2.5 lakh on account of loan and interest outstanding against the later but the employees of that Financial Corporation sold away the industry to another party for Rs. 1.15 lakh without recovering the full loan amount. Therefore, lacunae in these financial corporations have to be sorted out. According to the RBI's figures of the previous year, there is a huge loan amount outstanding against the big units while as it is less on the small units which are more in number. As per the last year's figures the number of such big units was 1,536 with an amount of Rs. 5786.65 crores outstanding against them. The small units were 2,35,575 in number and had a

loan of Rs. 3100.67 crores outstanding against them. Thus, the big industrialists want to earn more and more profits and reimburse very less money towards recovery.

The Punjab National Bank has an amount of Rs. 75 crores outstanding against Modi Group of Industries. The Government is not either capable of recovering that amount or does not intend to recover or may be there are other compulsions. The Industrial Development Bank should monitor the bias meted out, the process of recovery or non recovery, of loans advanced by the Financial Institutions working in this field and the way the Industrial Development Bank distributes and recovers loan amounts.

I would like to say lest it happen that the working system of the Industrial Development Bank is reformed and later the bureaucracy serves its own vested interests after crippling that system. It should not happen.

Sir, The department of Finance under the Ministry of the Hon'ble Minister is related the banks as well. I would like to tell you that in my area the Syndicate Bank sanctioned equal amounts of loan for two sugar mills on one and the same day. These are there Chowdhary Sugar Mill, Manota and the Aggarwal Sugar Works, Amroha. Both the mills were sanctioned equal amount of loan on one and the same day but the recovery was made on less rate of interest, after some kind of bunglings from the Aggarwal Sugar Works, Amroha...*(Interruptions)*... The case of Chowdhary Sugar Mill, Manota is still lying pending. To this effect, we have also written to the Hon'ble Finance Minister without any reply so far that more interest is demanded from Chowdhary. So, Financial Institutions resort to such kinds of bunglings. The Industrial Development Bank should leave no scope for the bureaucracy to go whimsical.

Sir, lastly, I would like to say that the Industrial Development Bank should make efforts to increase the number of its shareholders. It is necessary for the proper functioning of the bank. I do not want to oppose this Bill but would definitely like to say that amendments should be made in it keeping in view the needs and difficulties of the industrialists and granting facilities to these industrialists who want to enter into the market and set up industries.

SHRI DAU DAYAL JOSHI (Kota): Mr. Chairman, Sir, the Hon'ble Minister through the Industrial Development Bank Amendment Bill 1994 is indeed making efforts to reform the system which has today placed the Indian Banking System at the crossroads but I don't think that the Government can, anyway, reform the near dead banking system which has devoured Rs. two lakh crores. To me it is like fulfilling an unvisualised dream. The foundation of the whole banking system is shattering today. The common people of India have been duped of their money. Today, we are very much concerned about the poor peasant but his property is attached in case of non-recovery of loan from him. He is whipped. Have you even tried to see the figures about how the banking system has benefited the industrialists?

Sir, I would like to tell the hon. Minister that industries do not get sick but are made sick in order to grab subsidy. The obsolete machinery is shifted to areas where more subsidy is available. Thus, an industry of Gujarat reached

Rajasthan and vice-versa. The industrialists are today, getting affluent by pocketing the benefits of subsidy wherever it is available.

The Government has taken no action against them nor does it have capacity to do so. The loan granting bank can't file a suit against the industrialist even if it wishes so. The Finance Ministry has made its mind to vest bank officers with such powers which can help them recover loans but today banks which grant loans of lakhs of rupees file a suit in courts for loan recovery but can not take direct action for the recovery. Why is it so? Why is the industrialist at liberty to do anything. The Industrialists have plundered India.

Mr. Chairman, Sir, I would like to say that Rs. 3100 crores are outstanding against the sick small scale industries while as Rs. 5786 are outstanding against medium and big industries and Rs. 2646 crores on medium and big industries facing closure. Thus, industries devoured a sum of Rs. 11533 crores during last four years and the Central Government remained a silent spectator. It is not capable of taking any action against industries due to which the banking industry has gone sick today. I do not doubt the intentions of Shri Chandrashekhara Murthy. He is a good Minister but the Government should be committed towards realising loans from big Industrialists.

Mr. Chairman, Sir, the banks were nationalised and this is the silver jubilee year of the nationalisation of banks. I would like to say that it should rather be celebrated as a mourning year. The Marxists had highly applauded and acclaimed this nationalisation but you can see what has become of nationalisation. In order to achieve their personal ends and oblige the authorities they appointed them Chairmen of nationalised banks and indulged in fleecing this country by bunglings and minted money for themselves. If you want to take any action then, first of all, you must take action against those politicians who appointed sycophant officials. Make enquiries against them and recover all amount properly.

Mr. Chairman, Sir, the nationalisation has greatly harmed the country and it is a matter of concern. Now, you are turning towards privatisation but even privatisation is not going to be of much help. What will become of those thousands of workers employed in 5000 branches of banks opened in the name of nationalisation. Privatisation to some extent is understandable but you are inclined towards globalisation which will ruin the country. No. political party is in favour of globalisation, nobody will tolerate it. That is why it is my submission to you to make proper arrangements.

I would conclude by submitting two points. We have never heard of a person on the verge of insolvency making donations. The fiscal deficit in Andhra Bank was of the order of Rs. 1,41,89,00,000 in 1992-93 and this bank donated Rs. 38 lakh from the year 1990-91 to 1993. The banks incurring losses are giving donations and the Government is playing a mute spectator. The Central Bank had an accumulated loss Rs. 3,43,51,00,000 and it has donned away 15.00 hrs. Rs. 33 lakhs. Have you tried to monitor the banking system to see what is that policy of donations and who are given donations? There are not 1-2

such banks but 17 banks which have been continuously incurring losses but they still give donations every year. The banking sector is giving away donations of not to the tune of Rs. 1-2 crore, but in crores of rupees.

At the same time, I would like to know what is 'bad debt'? If you put somebody's loan amount in the 'bad-debt' they you must show the names of those people with the remark that the loan has not been repaid by that particular industry and therefore you are putting that under bad debt. Nobody loses his credibility for non-payment neither any mention is made of him as you stealthily put their names under 'bad debt'. If you mention the names and amounts then the world not come to an end.

I demand that a list be made of those criminal cases where payments of the loans have been defaulted and the names of the embezzlers be made public. An investigation be made into the appointments of officers which were made by issuing political influence. Let the honest people be a apportioned to serve banks and the sycophants be dismissed, otherwise, there will be several thousand cases of the likes of JPC. The extravagance being indulged in in banks should be checked. A Recovery Tribunal should be set up for this. You have maintained that the Ministry of law comes in the way of delegating more powers to the bank officials to effect recovering loans. I submit to you to make stringent rules in consultation with the Ministry of law and give more powers to the bank officials. These days banks are providing loans in Bihar and Uttar Pradesh. If you see their rate of recovery you will find that the rate of recovery has come down to only 13 per cent and the rate of recovery of interest has come down to only 9 per cent. People take loans but do not repay and when the bank officials go there to visit them they are insulted or even murdered.

I pray for the success of the Bill introduced by you but I do not feel that the banking system will improve because the entire system is in doldrums. It has reached the point of bankruptcy during the congress rule in 35-40 years. The day before yesterday I read that people do not like to keep money in banks any more. The fear possibility of liquidity or insolvency of banks.

[English]

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): Mr. Chairman, Sir, I am thankful to the hon. Members who have participated in the discussion. ...*(Interruptions)*

[Translation]

SHRI GIRDHARI LAL BHARGAVA (Jaipur): Please give Two minute's time to me also.

[English]

MR. CHAIRMAN; It was to be completed on Friday itself. We carried it on today also. If I allow you, then I will have to allow other hon. Members also.

(Interruptions)

SHRI RAMESH CHENNITHALA (Kottayam): Sir, please allow two or three Members to speak. ...*(Interruptions)*

MR. CHAIRMAN: On Friday, even some hon.

Members were not allowed to speak. When I was half-way through my speech, I was asked to wind up.

(Interruptions)

SHRI RAMESH CHENNITHALA: But you have spoken, Sir. You have very well spoken, Sir.

MR. CHAIRMAN: There is some limit now. You must cooperate now.

[Translation]

SHRI GIRDHARI LAL BHARGAVA: Mr. Chairman Sir, please give me only two minutes. I will conclude in one two minute's time.

[English]

MR. CHAIRMAN: No please, Sorry.

SHRI M.V. CHANDRASHEKHARA MURTHY: Sir, the present Bill seeks to amend the various amendments of the IDBI Act and these proposed amendments are broadly classified into three categories.

The first category is to restructure the IDBI by permitting it to raise resources from the capital market. Sir, till now the IDBI is wholly owned by the Government and with this amendment, the IDBI can have other shareholders with the Government maintaining 51 per cent in the IDBI. And I wish to inform this hon. House, Sir, through you, that no shareholder other than the Central Governemnt shall be entitled to exercise voting rights in respect of any shares held by him in excess of 10 per cent of the issued capital. Keeping this in view the dominant role of IDBI as principal financial institution, it is necessary that the Government should continue to control and maintain the control of IDBI.

As regards the second amendernt it is regarding the functional autonomy and operational flexibility of this Institute, Sir. hither to several decisions taken by the Government are now proposed to be transferred to the General Body Meeting of the shareholders or to the Board of Directors.

As regards the third classification of the amendment, Sir, this is about the constitution of the Board to IDBI. Now with this amendment it is going to provide for 12 Directors, out of whom, Government shall nominate eight Directors and the remaining four will be elected by the shareholders amongst themselves. Many of the Members during their discussion raised the question as to why the Governemnt has brought this amendment through Ordinance. Sir, the Government has taken a decision to allow IDBI to raise money from the public and the decision was taken in the last week of September, 1994.

1509 hrs.

(SHRI TARA SINGH in the Chair)

Sir, we are all aware that to organise public issue, a lot of preparation is required as for example, it includes preparation of regulations, appointment of lead Managers, preparation of offer documents, clearance by SEBI, marketing of the issue, etc. For these steps, considerable time and preparation is required.

That is why, the Government has proposed this Ordinance and now we have come with this bill to replace that Ordinance.

Many of the hon. Members have criticised about the banking system. I wish to inform the august House through you, Sir, that the performance of IDBI is commendable. Since its inception, it has made profits. For example, during 1991-92, it had earned a profit of Rs. 474 crores; in 1992-93, it had earned a profit of Rs. 487 crores; and in 1993-94 it has earned a profit of Rs. 611 crores.

Shri Chitta Basu has raised a point that IDBI should provide funds for sick industries and for revival of the sick industries. The Funds for revival of the sick industries are provided by all financial institution even including the IDBI, as per the revival package approved or sanctioned by BIFR.

SHRI CHITTA BASU: That is not being done. That is my complaint.

SHRI M.V. CHANDRASHEKHARA MURTHY: Shri Chitta Basu, that will be a separate issue. I can assure this august House that even with the present amendment, there is no change in its policy in the revival of the sick industries and to provide financial assistance to the sick industries.

Shri Ram Kapse and Shri Chetan P.S. Chauhan have raised a preliminary objection. In such cases, the proposed Bill should have been referred to the Standing Committee. I wish to mention here that it is for the House to decide whether the Bill should be sent to the Standing Committee or not. The Government has nothing to do with that.

Shri Dau Dayal Joshi has raised a lot of objections. As far as the recovery position of the banks is concerned, he is worried. But, at present, I am having information and facts only regarding the IDBI. I wish to inform Shri Joshi that the IDBI has assets over 92 per cent, the highest among the financial institutions in the country. The collections during the last three years were like this. During 1991-92 it was 88 per cent; in 1992-93, it was increased to 91 per cent; and in 1993-94, it was further increased to 92 per cent. With all these figure, we can understand the recovery position of the IDBI which is functioning very well in this country.

The other points raised by the hon. Members were beyond the scope of this Bill. Some of the hon. Members have referred about the banking system and have given suggestion also. I have duly noted all of them.

I wish the mover of the Statutory Resolution to kindly withdraw and request the hon. Members of this House to pass this Bill.

[Translation]

PROF. RASA SINGH RAWAT (Ajmer): Mr. Chairman, Sir, as the hon. Minister has replied in the context of the Ordinance, I would like to say in this regard that the means should also be good to achieve good objectives only then good achievements can be made. As I have already said, if the Government wanted they could have brought this Bill during the last session also but they resorted to bringing an ordinance and are now getting it ratified by the House after enacting a law by promulgating an ordinance. Such a

process in any way can not be termed as a proper one I seek your interference in this regard. You may kindly direct the Government that they should avoid the tendency of bringing Ordinances in future and only when some emergency crops up should they resort to this means.

Secondly, I would like to say, through you, as the hon. Minister has also replied that it was not referred to a standing committee. The Standing Committees are formed by the Parliament simply because it is difficult to have detailed discussions on the Bills in the Parliament. These have been formed in order to pass the Bills unanimously after having discussions in the larger interests of the nation, the committees comprise the Members of Lok Sabha and Rajya Sabha. If the Government become high-handed and continue to neglect standing committees in this way then all the Bills will be straightaway introduced in the House or will come through Ordinances. It will erode the utility of the Standing Committees. For this, through you, I would like to ask the Government and the hon. Minister that the Standing Committees formed for the Ministers should not be neglected in future.

I have heard attentively the discussion as well as what the Government is saying but I would like to say:

"Maye Se maya mile kar kar lambe haath,
'Tulsidas' hai garib ki puchche na koi baat."

You are setting up Industrial Development Bank of India but you are making arrangements to provide loan facilities etc. to the big industrialists only through this Bank. What provisions have you made for small entrepreneurs who are strengthening our domestic industries? Sir, the whole House is aware that all the Industrialists first seek loans from the Government or the Industrial Development Bank of India for setting up their units then declare their units sick and then again go to the banks for their revival and again loans are sanctioned to them. As the hon. Minister has just said that the whopping loan amounts show that the country's funds are being misutilised for a handful of people and an ordinary man is bearing the brunt of this deficit. That is why through you, I would like to say that some precaution must be taken in this regard. The hon. Minister has not said anything regarding making the Industrial Development Bank of India accessible to small and domestic industries for their promotion. If it is not done then only the big Industrialists would be benefited by them.

Sir, Gautam Budha had preached that the 'Lute's string should not be tautened so much that it breaks, nor should it be let so loose that it stops producing notes. I would like to know whether the Industrial Development Bank or other commercial banks give any attention to their social commitments or not? It should not happen that they forget their responsibilities. You are permitting them to issue shares and thereby increase their equity. When we used to talk about liberalisation then our congress colleagues would laugh at us but now they are working on the cliché, "Better late than never" and are inclined towards liberalisation. But I would like to warn you that your intention to allow globalisation in the name of liberalisation is unfair and this Bill does not mention anywhere as to whether there is any ban on the foreign

banks or foreigners on buying of shares or not. It is alright that you have said that their holding would be restricted to 49 percent and our country will keep 51 percent shares and there will be majority of Government Directors in the Board of Directors also but as our past experience is such that now we are once bitten and twice shy and it should not happen that our country's capital or funds of the Industrial Bank of India gets siphoned abroad and our Government remains in the dark about it. Vinoba Bhave ji was of the opinion that our feet should walk forward and in the right direction so, our eyes should also look in the right direction.

The way we are moving towards liberalisation is good and I support it though it has several drawbacks to which the hon. Members drew attention but now we should work in the right direction. It should not happen that we get so much bogged down in loans by IMF or other capitalist forces of the world that we are not free to take any decision and we continue to do what we are asked to do. I want to say that such a dismal situation should not be created. There should be arrangements for a proper management, proper fiscal discipline, proper loan distribution system and a proper loan recovery system.

I am grateful to you for giving me time to speak but I must make one submission in the end that you are setting up Industrial Development Bank of India but a demand had been made on several occasions to set up Rural Bank of India. The officials and the employees of the local rural banks and their unions have been making country-wide demand for setting up a national rural bank in the country and strengthening it with appropriate powers. You had given an assurance in the budget also that 49 local rural banks would be restructured and made powerful but only the Industrial Development Bank of India has been set up which is meant for big industrialists. But no mention has been made with regard to setting up of national rural banks which help poor people and those working in the adverse condition in villages. I would like the hon. Minister to give some indication in this regard.

You should learn a lesson after facing defeat in Andhra Pradesh and Karnataka. At least now you should talk about the interests of the poor people. If you keep on talking about rich people then other people will continue to come power with making promises to provide rice at Rs. 2 a kg. and then no matter how loud you shout that our foreign exchange reserves have increased, or the rates of our shares have increased that much or our capital has increased, that will not benefit the public in any way. The public will be benefited only when their problems are solved.

That is why, I would like to say, through you, that national rural bank should be set up and local rural banks should be restructured. You should make efforts to help small-scale industries through these banks.

With these words, I oppose the tendency to promulgate ordinances and since this Bill is in the interest of the nation, I withdraw my proposal regarding its disapproval. I feel it would be better if the hon. Minister says something and gives some indication in the context of points put forth by me.

MR. CHAIRMAN: When you have already said that you are withdrawing, then nothing remains.

PROF. RASA SINGH RAWAT: The hon. Minister should say here something about the revival of rural banks. Everybody wants to know about it.

MR. CHAIRMAN: Now you may withdraw it.

PROF. RASA SINGH RAWAT: Alright. I withdraw.

[English]

The Resolution was, by leave, withdrawn.

MR. CHAIRMAN: Now I shall put the Bill for consideration to the vote of the House.

The question is:

"That the Bill further to amend the Industrial Development Bank of India Act, 1964, be taken into consideration"

The Motion was adopted.

MR. CHAIRMAN: The House will now take up Clause-by-Clause consideration of the

The question is:

"That Clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

MR. CHAIRMAN: There are amendments to Clauses 3, 7 and 9 moved by Shri D. Venkateswara. Rao and Shri Bolla Bulli Ramaiah.

Shri D. Venkateswara D. Rao—Absent

Shri Bolla Bulli Ramaiah—Absent

The question is:

"That Clauses 3 to 21 stand part of the Bill."

The motion was adopted.

Clauses 3 to 21 were added to the Bill.

MR. CHAIRMAN: The question is:

"That clause 1, The Enacting Formula and the long Title stand part of the Bill."

The Motion was adopted.

Clause 1, the Enacting Formula and the Long Title were added to the Bill.

SHRI M.V. CHANDRASHEKHARA MURTHY: Sir, I beg to move:

"That the Bill be passed."

MR. CHAIRMAN: Motion moved:

"That the Bill be passed."

[Translation]

SHRI GIRDHARI LAL BHARGAVA (Jaipur): Mr. Chairman, Sir, through you, I would like to submit to the Hon'ble Minister that the Industrial Development Bank grants funds to the Finance Commissions at very low and concessional rates of interest for 15-20 years. The Finance Commissions in turn grant funds to the small scale industrialists for 5-6 years and in case these industrialists

are not able to reimburse the money within 5-6 years, their industries are auctioned. The profit earned as a result of auctioning that industry in the market and the amount the said industrialist had taken from the Finance Commission is not returned to the industrialist well on time. Therefore, I urge that the said amount should be returned on time and the time period for recovery of loans advanced by the Finance Commission to the small scale industrialists should at least be extended to 10 years.

My second submission is that the objective behind setting up of Industrial Development Bank was that it will give grants-in-aid to the traders for running their respective business but now the Government is on a privatisation spree as a result of which the foreign entrepreneurs will come in the way of progress of Indian traders and we have, as a matter of fact, surrendered before them by signing the Dunkel agreement and it has been nowhere provided in this ordinance that the multinationals and foreign banks will not be included in it. There is no check on them. Once they set their feet on our land, I understand that they will dictate terms to all the banks.

My third submission is that a person holding the office of the Chairman cum Managing Director is not able to evaluate his functions. He will, simultaneously, be an administrative executive as well as the Managing Director. Therefore, I submit that a public representative should be appointed as Chairman. I request the Hon'ble Minister that there should also be a provision for strengthening the rural banks.

[English]

MR. CHAIRMAN: The question is:

"That is Bill be passed."

The motion was adopted.

15.29 hrs.

**STATUTORY RESOLUTION RE: DISAPPROVAL OF
CONTINGENCY FUND OF INDIA (AMENDMENT)
ORDINANCE;
AND
CONTINGENCY FUND OF INDIA (AMENDMENT) BILL**

[English]

MR. CHAIRMAN: Now, the House will take up item nos. 18 and 19 together for discussion. Shri Girdhari Lal Bhargava.

[Translation]

SHRI GIRDHARI LAL BHARGAVA (Jaipur): Mr. Chairman, Sir I beg to move:

"That this House disapproves of the Contingency Fund of India (Amendment) Ordinance, 1994 (No. 10 of 1994) promulgated by the President on 10th Oct., 1994."

This is a good Bill of Contingency Fund. I do not rise to oppose it but there was no need of bringing it in the form of an ordinance. Through you, I would like to submit that Hon'ble Ram Naik Ji, who is present here, made the first attempt at it and later all the parties extended their co-

operation in bringing forward this Bill. It is being discussed since Dec. 1993 and now, it is December 1994. Thus, it has taken one full year. Lastly, the Government said that Rs.5 lakh have been allocated to each district collector and people can get their work done. But it was a clear perception that the Central Government had not given this sum out of its own budget. It was a part of Jawahar Rozgar Yojna. People noticed that this amount of Rs.5 lakh was made available to the State Government after deducting it from JRY. I think that this dialogue was beyond our perception. Finally the people asked the Hon'ble Rural Development Minister and the Prime Minister and the Hon'ble Members repeatedly raised the question in the House as to what about the grant of Rs. one crore meant to be given to every M.P. for the development of his constituency? Now the Government has brought in this ordinance.

My submission is that it is full of lacunae. The Government took a decision in August and brought in this ordinance here but I would like to say that there should be no need of D.R.D.'s clearance limit in it. My first request is that there should be no ban on investing the whole amount in Public Institutions. Secondly, we should be allowed to complete incomplete works. We can't complete the construction work of a link road left incomplete in a city which only works as a city footpath. I can't understand how will the M.Ps, whose electoral constituencies include urban areas also, be able to utilise this amount of Rs. one crore? There should be a provision in this regard as well. Then, the works promised to be undertaken by the M.Ps should also be completed.

If there is a time limit of December or March, then, Mr. Chairman, Sir, you are aware that many states are going to polls now and any development work, by utilising this sum of Rs. one crore, of a parliamentary constituency has been banned till elections in February. I understand that this money can't be utilised in March, therefore, all these institutions shall be in favour of extending the time limit of spending this sum of Rs. one crore beyond 31st March. The aim of granting this money will be achieved if the Hon'ble Members are able to spend this amount of Rs. one crore during the next year. An M.L.A. is empowered to spend Rs. 15 lakh for the development of his constituency and the Chief Minister of the Government of Delhi, Shri Madan Lal Khurana has also declared that each M.L.A. can undertake a developmental work of his constituency to the tune of Rs. one crore. So, I think that for a Member of Parliament, whose constituency covers five, eight or even ten Assembly constituencies, like there are eight Assembly constituencies in my Parliamentary constituency, this amount of Rs. one crore is very inadequate. Therefore, at the first instance, this amount should be raised to Rs. 5 Crores.

Mr. Chairman, Sir, I understand that this amount will not be increased to this extent on my request but it should at least be Rs. two crores. I know that the MPs can do their work with this sum for the first time. It is also said that an M.P. can undertake 24 types of works as per the guidelines. But where are the guidelines? These have not been provided to the Hon'ble Members so far. In reply to a question on 7th of the month in the Parliament, it was said