

भी कम मत कीजिए और बड़े बड़े मौनोपोलिस्ट्स से आप पैसा लीजिए और मजदूरों का कल्याण कीजिये ।

श्री वृद्धि चन्द्र जैन (बाड़मेर) :
उपाध्यक्ष महोदय, मैं प्रस्तुत बिल के सम्बन्ध में अपने कुछ विचार सदन के सामने रखना चाहता हूँ ।

MR. DEPUTY-SPEAKER : The points that have already been made by the hon. Members need not be repeated.

श्री वृद्धि चन्द्र जैन : मैंने बहुत गहरा मनन इस बिल का किया तो यह पाया कि इस उद्योग का जितना ज्यादा विस्तार किया जाये उतना ही राष्ट्र के लिए हानिकारक है, यह राष्ट्र के हित में नहीं है, इस उद्योग का विस्तार । क्योंकि जितने सदस्य बोले सब ने यही कहा कि इस उद्योग में जो मजदूर काम करते हैं उनका स्वास्थ्य निम्नकोटि का है । यह लोग अधिकतर टी० बी०, ऐस्थामा, कैसर आदि बीमारियों से पीड़ित हैं । तो जिन मजदूरों की ऐसी स्थिति हो ऐसे उद्योग का विस्तार करना राष्ट्र के हित में नहीं है । इस उद्योग के प्रचार और प्रसार के लिये लाखों, करोड़ों रु० खर्च किया जाता है । हमारे यहां राजस्थान में लंगर छाप, देसाई छाप बीड़ी का प्रचार जैसलमेर और बाड़मेर जिलों के प्रत्येक मेले में किया जाता है और लोगों को बीड़ी पीने का आदि बनाया जाता है । इस प्रकार बीड़ी पीने वालों की संख्या बढ़ रही है । और जो मजदूर बीड़ी बनाते हैं उनमें 75 परसेंट बीड़ी पीते हैं । 10 घंटे वह काम करते हैं तो चार, पांच बार तो चाय पीते हैं, बीड़ी पीते हैं और रात को शराब भी पीते हैं । इस प्रकार उनका

सारा जीवन नष्ट हो जाता है । तो राष्ट्र के हित में नहीं है कि इस उद्योग का विस्तार किया जाए । जैसे सिगरेट के लिए इस्ट्रक्शन्स हैं कि सिगरेट पीना हैल्थ के लिये इंजूरियस है, उसी प्रकार तमाम ब्रांडेड बीड़ियों पर भी लिखा जाना चाहिए ताकि सब को मालूम पड़े कि बीड़ी पीना स्वास्थ्य के लिए हानिकारक है । इस बात का सरकार को रेडियो तथा अन्य माध्यमों से प्रचार करना चाहिए कि जितनी भी नशीली चीजें हैं वह हानिकारक हैं और लोगों को उन चीजों के सेवन से बचना चाहिये, उसकी आदत नहीं डालनी चाहिए ।

SHRI P.VENKATA REDDY: I do agree with the hon. Member that smoking is injurious to the health. But at the same time, I may point out that even if there is any label warning the users, that is not going to help. As long as beedi smokers and cigarette smokers are there the industry is to be there.

MR. DEPUTY-SPEAKER : Now, the question is :

“That the Bill be passed.”

The motion was adopted.

15.44 hrs.

NATIONAL BANK FOR
AGRICULTURE AND RURAL
DEVELOPMENT BILL

THE MINISTER OF FINANCE
(SHRI R. VENKATARAMAN) :
I beg to move* :

“That the Bill to establish a bank to be known as the National Bank for Agriculture and Rural Development for providing credit for the

[Shri R. Venkataraman]

promotion of agriculture, small-scale industries, cottage and village industries, handicrafts and other rural crafts and other allied economic activities in rural areas with a view to promoting integrated rural development and securing prosperity of rural areas, and for matters connected therewith or incidental thereto be taken into consideration.?"

Hon. members are aware that the National Commission on Agriculture had in 1976 suggested integrating the total structure for financing agricultural and rural development from ground level upwards to the creation of an Agricultural Development Bank of India as an apex organisation. In January, 1977, the Government at that time had approved in principle the idea of establishment of such a Bank and desired that a scheme should be evolved on the basis of broad parameters laid down together with draft legislation by the 15th March, 1977. However, with the change of Government the entire proposal was reviewed in July, 1977 and it was decided that even by implication, Government should not accept in principle the need for an Agricultural Development Bank. Nevertheless, the demand for setting up a national level institution for agricultural credit continued to be raised time and again. In March, 1979, the Reserve Bank of India was requested to arrange for a review of the then existing arrangements for agricultural credit. The Reserve Bank of India appointed a Committee to review the arrangements for institutional Credit for Agriculture and Rural Development. The Committee recom-

mended the setting up of a nationalised bank for agriculture and rural development. Our Government which had already decided in 1977 in principle to establish such a Bank, has come forward to set up a National Bank for Agriculture and Rural Development.

Hon. Members would have read detailed note on various clauses of the Bill explaining the provisions regarding the general set up of the Bank, its management, resources and functions. I would only like to draw their attention to some of the more salient features of the Bill.

The National Bank for Agriculture and Rural Development is being set up as a statutory corporation to be owned by Government and the Reserve Bank of India jointly. This Bank will have organic links with the Reserve Bank of India. It is our intention that the Reserve Bank's close link with rural credit should be retained and its authority as the Central Bank, over monetary and credit system should not be diluted in any manner. The entire undertaking of the Agricultural Refinance and Development Corporation shall be transferred and vest into the new Bank.

The National Bank shall establish and maintain a Fund to be known as the National Rural Credit Fund to provide financial assistance by way of loans and advances. Apart from this it shall also establish a National Rural Credit (Stabilization) Fund to enable them to convert short term loans in the event of natural calamities etc.

The general direction and management of the bank shall vest in the Board of Directors of the Bank which would have nominees from Central Government, State Governments, Reserve Bank of Indi

as well as from commercial banks and cooperative banks. The Experts in rural economies, rural development, handicrafts, small scale industries, or in any other matter, the special knowledge or professional experience in which is considered by the Central Government useful to the National Bank, will also be appointed on the Board of Directors of the Bank.

The Bank shall provide short term financial assistance for promoting agriculture and rural development to State Cooperative Banks, Regional Rural Banks, or any financial institution approved by the Reserve Bank of India in this behalf. Similarly, the Bank will provide refinance to various banks for their term lending operations for the purpose of agriculture and rural development. A provision has also been made for direct lending to any institution as may be approved by the Central Government.

Care has been taken to see that adequate resources are made available to the Bank for the performance of its activities. Thus, apart from its paid-up capital, its resources would include borrowings from Central Government, Reserve Bank and from any other authority or organisation or institution approved by Central Government. The Bank can borrow foreign currency from any Bank or financial institution in India or elsewhere.

The Bill provides that the National Bank shall establish and maintain Research and Development Fund. This Fund will be utilised for matters of importance to agricultural operations and rural development, including the provision of training and research.

It is our intention to establish the National Bank as the apex organisation with respect to all matters relating to policy, planning

and operational aspects in the flow of credit for the promotion of agriculture, small scale industries, cottage and village industries, handicrafts and other rural crafts and other allied economic activities in the rural areas. The new Bank will be a single integrated agency for meeting the credit needs of all types of agricultural and rural development and help in the implementation of policies and programmes, included in the Sixth Five Year Plan document. I would request the hon. Members to extend their full support for the setting up of this new institution.

Sir, I now move that the Bill be taken into consideration.

MR. DEPUTY-SPEAKER :
Motion moved :

"That the Bill to establish a bank to be known as the National Bank for Agriculture and Rural Development for providing credit for the promotion of agriculture, small-scale industries, cottage and village industries, handicrafts and other rural crafts and other allied economic activities in rural areas with a view to promoting integrated rural development and securing prosperity of rural areas, and for matters connected therewith or incidental thereto, be taken into consideration".

There is an amendment to the consideration motion by Shri Chandrajit Yadav. Is he moving it ?

SHRI CHANDRAJIT YADAV :
Yes, Sir, I beg to move :

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 10th February, 1982". (1)

MR. DEPUTY-SPEAKER :
The amendment is now before the House. Hon. Members, four hours have been allotted to this Bill—three hours for discussion and one hour for clause-by-clause discussion. I think the House agrees to that.

Mr. Zainul Abedin, your party has been allowed fourteen minutes.

*SHRI ZAINUL ABEDIN (Jangipur) : Mr. Deputy Speaker, Sir, through the establishment of the National Bank for Agriculture and Rural Development, the Government seek to promote agriculture, small scale industry, cottage and village industries, handicrafts and other rural crafts, in short they want to promote integrated rural development and secure prosperity of the rural areas.

Apparently it is an honest attempt and a good effort. During the last three decades and more we have seen how this Government have brought ruination to the rural people by adopting a posture for their economic development, we have seen how they have paralysed and devastated the rural economy and how under the grab of land reform they have created a new class of zamindars and thereby tried to retain and uphold their class interests. In the background of this when we find that the Government is trying to take steps for the economic upliftment of the rural people, then naturally a question arises

in our mind and that is whether the Government is once again trying to create a new bait for exploitation of the rural masses and in fact that is what is being sought to be done through the proposed legislation which the hon. Minister has just now introduced in the House.

In this Bill the Government seek to transfer the powers of Reserve Bank in regard to agricultural and rural credit—its administrative control over and direction towards other banks to the new bank. But why should this be done ? In the Statement of Objects and Reasons the hon. Minister has said that the move has been initiated with a view to effecting integrated rural development and prosperity of the rural areas through a single integrated agency. But is it very difficult to understand how the Government can achieve their objective of integrated rural development by merely transferring the powers of control monitoring, superintendence and administration from one organisation to another organisation. The real snag in the sphere of institutional credit lies in the inherent weakness in the credit structure and if we really want to bring about any improvement in this sphere we have first to attempt a restructuring of the credit policy and its institutional set up but unfortunately the present Bill has now there tried to remove these shortcomings of the institutional credit system and merely the setting up of a new Bank will not offer to the

*The original speech delivered in Bengali.

cultivators any new benefit by way of advice and help, in my opinion this new Bank will create more difficulties and more confusion for the people for whom it is intended.

15.54 hrs,

[SHRI NARINATHA MISRA *in the Chair*]

There is another very important question which has to be considered in this context, Agriculture and co-operation form a subject in the State List and the different States in our country have made different laws in this sphere. Are we therefore to believe that in the name of integrated approach the Central Government wants to take away all the powers of the State Government and want to vest it in a central agency? At a time when people are clamouring for greater power for the States and when the highest executive authority of our country has not been able to ignore the necessity of conferring more powers to the States, any attempt by the Central Government to curtail the powers of the State Government will not be tolerated by the people. This is indeed a very serious matter and I am sure that Central Government will pay adequate attention to it.

As a result of the establishment of the new Bank an additional financial burden will be imposed on the cultivators and village artisans for whom this is intended. For its economic viability, the Bank will have to depend on the Reserve Bank of India, the Central Government and on open market borrowings. The Bank will have to sell bonds and debentures for which they have to pay interest at high rate. This will be inevitable because the Bank will have to collect funds for running the establishment and its various Branches. Obviously this enhanced rate of interest will be recovered from the cultivators and the village artisans. If the Government tries to avoid this course the only other alternative to the Central Government would be to own responsibility for meeting the deficit from their own coffers. This will result

in the imposition of new indirect taxes, deficit budget and will result in inflation and rise in prices of essential commodities. Therefore, before we pass this Bill the Government should carefully consider whether the present move is really going to promote economic betterment of the rural people or not. It may be mentioned in this connection that the rate of interest that the Reserve Bank charges for the loans it gives is not dependent on the rate of interest prevalent in the open market. The rate of interest that the Reserve Bank charges for agricultural loan is lower but there are many intermediate banking organisations which come between the ultimate borrower and the Reserve Bank and because of this the actual benefit of low interest that the Reserve Bank gives is not available to the rural folk and there is already a lot of frustration among these people on this account. Creation of the proposed bank will create more complications and deepen their frustration.

There is another aspect of the matter which deserves attention. As a result of the creation of this Bank financial transactions between the rural based banks the new bank and the Reserve Bank, will get more complicated and important schemes for which bank loan is sought will be delayed unnecessarily. The Department of Economic Studies and Research work will continue to remain with the Reserve Bank of India and over and above the RBI will have to take responsibility of inspection of other banks and to perform some other important functions. We find that the new Bank will have to undertake the same responsibilities and discharge the same functions also. Under the new dispensation a rural and a Co-operative Bank can be opened in the rural areas only after an application is first made to the proposed national bank and after it is duly recommended by it, it is passed on to the Reserve Bank for its final decision. As present the procedure is rather simple because the applications go directly to the Reserve

[Shri Zainal Abedin]

Bank for consideration and decision. In addition to this the rural based banks hereinafter will have to send their returns and statements to the Reserve Bank on the one hand and to the National Bank on the other. Needless to say it will entail lot of delay and because of the dual allegiance of these rural banks to both of the RBI and the new bank the quantum of work will increase and along with that the cost too will go up.

In the Statement of Objects and Reasons the hon. Minister has said, "The proposed bank is to have organic links with the Reserve Bank. It is the intention that the Reserve Bank's close link with rural credit should be retained and its authority as the Central Bank over monetary and credit accretion should not be diluted in any manner."

The proposed Bill has made a provision that three representatives of the Reserve Bank will be included in Board of Directors of the new Bank. I do not quite understand how merely by giving this representation of the Reserve Bank in the Board of Directors of new Bank can create the organic link between the two institutions. In fact, when we take away the agricultural credit department and agricultural refinancing power from the Reserve Bank of India and give it to the new Bank it in reality will amount to delinking the two organisations and will in no way create the organic link which is sought to be created through this Bill. I am sure the delinking will not yield good results.

16 hrs.

With the establishment of new Bank a great chaos and uncertainty will grip the 4000 strong employees of the Reserve Bank of India who are of different cadres and working in the

different States. Very naturally these employees would be opting to be the employees of the Reserve Bank of India rather than employees of the new Bank because they will not feel secure in the new organisation. Following the transfer of some department of the RBI to the new bank a surplus staff will be created there and this will include 2000 promotional posts. Since some of the departments of the Reserve Bank will be transferred, the promotional avenues of the remaining staff will be in jeopardy. The only solution of the problem to my mind is to create a common pool of the staff between the RBI and the new Bank and let us have such provisions so that inter-institutional transfers and promotions on common seniority basis is done. Unfortunately, the Bill has not visualised this difficulty of the employees and they have not cared to make specific provisions for the same.

The Statement of Objects and Reasons state :

"The Government had requested the Reserve Bank of India in March 1979 to arrange for a review of the institutional arrangements for rural credit with a view to streamlining them. In pursuance of the above, the Reserve Bank had appointed a Committee to review arrangements for institutional credit for agriculture and rural development."

Sir, the All India Rural Credit Review Committee had suggested something which is completely different from what the Government has done. The Committee had opined that the task of giving institutional credit for agriculture is so colossal that it cannot be performed by on single organisation and therefore the Committee had recommended that an agricultural Credit Board should be set up under the Reserve Bank of India to under take this responsibility. Instead of complying with this []

commendation the Government is going to set up the National Bank through this Bill. I therefore record my strong opposition to this Bill because the Government is rushing through a matter which is of great importance to the rural people and unless the pros and cons are carefully examined it may result in considerable difficulty and harassment to the people for whom it is intended. Therefore, I submit that the Bill be referred to the Select Committee and after a careful consideration of the provisions of the Bill it would be wise to take the next step in this matter.

SHRI Y. S. MAHAJAN (Jalgaon) : Mr. Chairman, Sir : The proposed National Bank for Agriculture and Rural Development has a very wide scope. It leaves out of its purview hardly anything which is of importance, from the point of view of rural development and prosperity.

The Bill seeks to set up an institution for providing credit for the promotion of agriculture, small-scale industries, cottage and village industries, handicrafts and other rural crafts and other allied economic activities in rural areas, with an initial capital of Rs. 100 crores. And through this, it is expected to promote integrated rural development and prosperity of the rural areas. The word 'agriculture' has been defined under Section 2 as including animal husbandry, forestry, poultry farming, pisciculture and other allied activities.

The National Commission on Agriculture had suggested such an institution. It had recommended that all types of credit should be met through a single integrated agency, leading to an apex bank at the national level.

The idea was supported by the Sivaraman Committee which was appointed to review arrangements for institutional credit for agriculture and rural development. It recom-

mended the setting up of a new apex bank, viz. the National Bank for Agriculture and Rural Development—which can be called NABARD, for short—as an organizational device for providing undivided attention, forceful direction and pointed focus to the credit problems arising out of integrated rural development.

One important feature of the Bill is that the Agricultural Refinance and Development Corporation is proposed to be dissolved and its assets and liabilities will be vested in the new National Bank. Section 16 of the Bill thus avoids the possible duplication of part of the facilities to be provided by the Bank.

The provisions regarding compensation are reasonable, because the shareholders of ARDC will be paid a sum equal to the total paid-up capital of the Corporation, in proportion to their contribution to such paid up capital as on the date fixed under sub-section (1) of Section 16, i. e. the date on which ARDC stands dissolved.

The Bill also provides for the transfer, from RBI to the National Bank, of the entire assets and liabilities of the National Agricultural Credit (Long Term operations) Fund and the National Agricultural Credit (Stabilisation) Fund. They will form part of the National Rural Credit (Long Term Operations and Stabilisation) Funds to be established and maintained by the National Bank for Agriculture and Rural Development.

In spite of these changes, the proposed National Bank will be able to maintain close organic links with the Reserve Bank. RBI's links with rural credit will be retained, and its authority as the central monetary institution with powers to regulate the amount and deployment of credit will not be diminished in any way. Besides,

three Directors of the Reserve Bank will also work as directors of the NABARD.

The management of the National Bank i.e. the general superintendence, direction and management of the affairs and business of the Bank shall vest in a Board of Directors consisting of 15 members, including the Chairman.

The Bill says that three Directors shall be from amongst the officials of the Central Government, and two from among the officials of the State Governments. The Bill does not say how they will be selected. I believe some method of their selection should have been laid down, to avoid misunderstanding between the States also perhaps between the Ministries of the Central Government.

It is possible the Finance Minister might say: "We send the three persons. The Ministry of Agriculture may also say that they have a right to send three Directors on the "Board of Directors."

As regards the functions of the Bank, they have been laid down in a comprehensive manner in sections 21 to 41. There are three provisions which are specially important and welcome. Two of them enable the Bank to provide financial assistance to any State Cooperative Bank, Regional Rural Bank or any such financial institution as may have got into difficulties due to drought, famine, military operations or enemy action. There is no provision like this in the constitution of any of the banks. The second provision is also important. When loans by these banks are given to the artisans, small scale industry or those who are engaged in handicrafts, they have to be rescheduled owing to unforeseen circumstances. Then

NAFED will come to their help. This assistance cannot be for less than 18 months or more than seven years.

The third provision which is important enables the Bank to guarantee deferred payments in connection with the purchase of capital goods due from a cooperative society or any other person subject to approval or guarantee by the Reserve Bank, Government of India or State Land Development Bank.

The Bank seeks to provide an integrated service through rural credit to different section of society, which together constitute about 75 per cent of our population. This is a very big responsibility and it is very difficult to exaggerate its importance. Rural credit societies were the pioneers of the cooperative movement in the country. Today, there are about 95000 primary agricultural credit societies, 337 central cooperative banks, 26 State cooperative banks and 102 regional rural banks working in 18 States.

Between them they provide credit to the tune of about Rs. 12,000 crores as against the credit of only Rs. 25 crores 30 years ago. This shows the tremendous increase in cooperative credit in the country during the last 30 years. The rural credit system affects the well being and prosperity of 75 per cent of our people and, therefore this Bank, because of its operation, will be the most important force in making the 20-point programme successful. However, in achieving these objectives, there are certain precautions which the Bank has to take. It is necessary to point out that the National Bank will have to guard against certain evils which have crept into the cooperative credit system. The National Bank and other institutions should divide

measures to see that flow of credit is not restricted and that it flows right upto the poorer sections of our people. Secondly, the proportion of overdues should be reduced. In the case of most of the cooperative societies, this proportion has been increasing during the last few years. (3) We have to see that credit is not cornered by bigger farmers who are likely to dominate the cooperative movement. If these precautions are taken, then I believe that the setting up of this Bank is a very progressive step and is calculated in the best manner possible to make for the achievement and success of our 20-point programme. With these words, I support the Bill.

SHRI CHANDRAJIT YADAV (Azamgarh) : Mr. Chairman, I welcome the introduction of this Bill and I think that it is a wise decision on the part of the Government to decide for setting up of this kind a National Bank, because more than 70 per cent of our population is still living in the villages, and who are those people who are living in the villages ; they are small farmers, artisans and landless labourers. This section of our population really speaking constitutes the overwhelming majority of the people who are still living below the poverty line. These are the sections who are really living in the villages and who are socially and economically backward ; and they are still the victims of social as well as economic exploitation.

I think it has been realised late that the Government have not paid enough attention to the people living in the rural areas and this country will remain poor so long as people living in the villages will remain poor, because they constitute more than two-third of our population. Now today these are the people who are the victims of feudal system, they are the victims

of the bureaucracy, they are the victims of the wrong approach of the people who are responsible for developmental activities because the welfare and the progress of these sections of our society are still not getting priority. And I think it is high time that the entire attitude of our financial institutions and the planning should be radically changed to treat these people, the farmers and the artisans on a top priority basis.

Today it is a well-known fact that our villages are not linked with roads; even drinking water facilities are not provided in hundreds and thousands of villages in our country. There is no use talking of electricity to every village or school or hospital in every possibility locality. That is not yet happening. And this uneven development in our country is responsible today for the fact that we find after 35 years of our freedom, that more than 50 per cent of our people are still below the poverty line.

I think it is a sad comment on our economy and the approach to our development that India today consists of the greatest number of poor people and the greatest number of unemployed people in the world.

Very recently, a Parliamentary delegation went to China. Very often, it is said that India is not a small country; it is a country of 680 million people and the country's problems are big. China is much bigger than India; its population is about 100 crores. But China has solved the basic needs of the population, food, clothing, housing etc. China may be backward in the matter of industry, technology. But China has successfully solved the problems of its citizens, so far as the basic

Shri Charanjit Yadav

needs are concerned, because they gave top priority to these things, and this is a serious lacuna—I must not say lacuna, a serious weakness—in the entire approach and attitude of our policy makers, and I hope now the time has come that these weaknesses must be removed at the earliest possible. Otherwise the country will face a serious situation and resentment will be growing. Dissatisfaction is growing. People are reacting and it will create a very serious situation, whether in the form of the Assam movement, or any other movement, but these things have to be taken note of.

I think that this delay in the setting up of this Bank has unnecessarily resulted in a loss of a very valuable period of three to four years. I do not agree with the view that the setting up of this National Bank will in any way come in the way of the farmers or create problems for our farmers, peasants and will in any way conflict with the position of the Reserve Bank of India. I think the numerous problems of the farmers in this country and the artisans in this country need special attention and it is with that view that this Bank is being established and I have that the objective with which the Bank is going to be established will be achieved.

I think the Finance Minister has given certain salient features of this Bank and the National Agricultural Commission which really speaking became the main basis—its recommendations became the main basis—for setting up this Bank. What did they say? They did not point out any real solution for supplying the inputs or services which are the main problems, main hurdles for the

development and progress of our farmers. I agree that this Bank will meet one important aspect, so far as the credit aspect is concerned. But, you come from the village, you know, most of us come from the villages, we know the problems in the villages. What is the position today? Is this Bank going to help the position? Is it going to facilitate the availability of inputs at reasonable rates to our farmers? What is the position today? In spite of the fact that the Finance Minister has succeeded to a certain extent in arresting the growing inflation and it has been claimed that it has been brought down, the benefit has not reached the retailer. Last year, the price of urea was Rs. 50/- per bag. Today it is being sold at Rs. 125/- more than 200 per cent rise in the price of urea. Similarly, DAP was sold at Rs. 105 per bag last year and today it is being sold at Rs. 185 and Rs. 190. For a 5 HP tubewell a farmer was paying Rs. 60/- for electricity charges. Now it has been increased to Rs. 85/-. Same is the position in cement, steel, pesticide and other inputs. The farmer has to pay through his nose. The Agricultural Prices Commission have said that inputs should be made available to the farmers at reasonable prices. Will the Bank do something in this regard? I think, there is no such provision. The additional activity that the Bank will undertake is to make some study in specific areas in rural India through its expert. And the report will be readily available to the Central Government or other agencies. The service part is worst. If a tubewell goes out of order, the peasant will not be able to get the defect rectified throughout the whole season. In spite of its best intention the Government has entirely failed to provide the very essential services to the farming community or the people living in rural areas. You see the condition of our arti-

sans, handloom weavers, power loom weavers. It is going from bad to worse. The other artisans are being victimised. I would like to tell the Finance Minister that simply by providing credit, you cannot solve their problem. You will have to make specific changes in your industrial policy. The monopoly houses and multinational corporations are completely destroying the cottage and small scale industries. There is no escape from them. The small and cottage sector cannot compete with the most modern technology. Government has to make some change in the industrial policy. The Finance Minister will say that the Government has already reserved some items for the cottage and small scale sector. But that has not improved the situation.

India is a very fortunate country in this respect. Today all over the world, cottage industry, handloom industry and artisans are dying out. There is a great demand for hand-made goods today. India, because of its long tradition of skill, perhaps, from generation to generation, is having some of the best artisans and skilled workers.

I think it is high time that we must protect them. If necessary, the Government should make all kind of efforts through reservations or by putting certain restrictions on the big houses, the nonpoply houses and the multinationals, so that these people are able to get the real facilities.

I feel that the time has come when the policy instrument has to be changed in this country. Because, unless and until we decide that 70 per cent of our population has to be treated on a top priority basis, there cannot be real development

and the imbalances which have been created during the last five years, which are responsible for our cities being over-populated, they will continue. In the past, our entire attention was devoted to the development of big cities and making them more modernised cities and providing them facilities. That should be changed.

It will not be inappropriate if I make the demand that in the next three Five Year Plans the investment in the rural areas, in the villages, should be according to the proportion of population. That will not only help to provide the basic facilities and amenities but also stop the shift of population from the rural areas to the city areas and make the villages places where people can live. Then the educated people, Government servants and others, will not hesitate to go to the villages and live there if the basic facilities are provided there.

I am not saying that you should not go in for basic industries. You should have the industries which are basic. But so far as programmes like road development, provision of water, irrigation facilities, schools and hospitals are concerned, the villages should get their due share. This will provide local resources and also a lot of avenue for their employment.

I must say that the banks have done really good work after nationalisation. So, their nationalisation was a right decision. They have tried to reach the villages and identify the weaker sections of the society. But a lot of hurdles are now coming up. Corruption, which was not there in the banking system, is now creeping into that sector also. I was in my village ten days back. Some 10 to 12 people belonging to the Scheduled

[Shri Chandrajit Yadav]

Castes came to me and complained that though they have applied for loans from banks, for the last six months they have not been able to get it. Each of them had applied for a loan of Rs. 5,000 to purchase a buffalo or some such item. I wrote a letter to the Bank Manager, asking why these poor people are being harassed for the last six months. This is not something peculiar to one bank; it is prevailing in almost all the banks. There is a fixed commission. Unless you give that fixed commission to the banks and other concerned people, you are not able to get such loans sanctioned. This is a serious matter. The banks should help these people, because it is meant for them. Most of these people being illiterate and helpless, the banks should go out to help them, rather than making them victims. The Finance Minister should pay special attention to this aspect and ensure that the credit facilities reach the right people.

During the last two or three years the people below the poverty line have been identified. The list is there. Now the people should go to help them. It is not enough to make provision for credit. Those people should be approached and guided to make use of these credit facilities. That is very important. Unless that is done, the laudable object of this Bank will not be achieved.

Sir, another thing I would like to say is this. As I said earlier, now it will be in the fitness of things that the Finance Minister also thinks on the lines of the National Agriculture Commission as to how in addition to credit, the inputs and service facilities can be provided and whether this Bank can have some special Departments under it or some

other agencies with which this Bank will coordinate in respect of various activities. It is not to provide credit only. If those inputs and services are not given, then credit will become meaningless. Therefore, in respect of those agencies which are responsible for providing inputs and services, some kind of relationship should be kept with them while appointing the Directors and the Advisory Council and it should be ensured that the Bank's representatives also are represented there (*Interruptions*). What I am saying is that this aspect should also be taken into consideration.

I would like to place three or four things for the consideration of the Finance Minister. I think there is some fear that you are going to set up some organisation which will have the same paraphernalia and the overheads of administration. I think care should be taken in this regard and it should be minimum and you should dispel the fear by saying that you are not going to set up another agency and there are existing agencies which are going to be used. But I would also like to draw your attention to the fact that cooperatives have really become the instrument of pressures by the rich peasants, and the new kind of class which is an exploiting class. In most parts of the country the cooperative institutions are mostly in the hands of exploiting class, the feudal class, the rich people, and they do not allow the benefits to go to the poor people for whom these things are being done. Therefore, care should be taken to see that these loans and credit facilities through this Bank reach the poor people and I think a time has come that it should be more democratise, the poor people should be given more representation. The election system should be changed in a manner that the weaker sections of the people find the place on the respective bodies so that they can look after their own interests.

I hope that the fear that the rate of interest will be higher in comparison with other banks should also be dispelled. If the rate of interest is going to be higher, then the entire objective will be lost. I hope that this Bank will really become an important instrument for the service of those sections for which it has been there and there should not be overlapping. So the point that should be taken into consideration is that there should not be unnecessary overlapping.

The Reserve Bank of India's employees have sent a representation. I am just looking into the representation of their employees. They have opposed the setting up of this Bank. I do not agree with their representation. The basic objective is to set up the Bank. But there is an apprehension that perhaps 2000 people will not get their promotions. They say that they will be stagnated and their promotional avenues will be blocked. I think this apprehension should be taken into consideration.

I have just noted down a few points which I hope the Finance Minister will take into consideration. For example, in clause 5 you have said that the Board will be consulted for the appointment of the Managing Director. I do not think it is very practicable. Not the entire Board, but the Chairman of the Reserve Bank and the Chairman of the National Bank may perhaps be consulted for that. I think that from the very beginning there will be a Managing Director for this Bank. It is not that at a belated stage the Managing Director will be appointed. That will create certain problems. The composition of the Advisory Council is not very clear to my mind as to what will be their number, etc. I think some guide lines will be there from the Central Government. Lawyers and other agencies should be properly represented

so that it is really an advisory body and the problems are brought to the notice of the National Bank.

Clause 19 (c) : "receive gifts, grants, donations or beneficentions from Government or any other source."

I have not been able to understand it.

Clause 20 is about borrowings in foreign currency. I hope "any other source" will not be interpreted as "any foreign source". If foreign source and grants are permitted, it should not be done without the permission of the Reserve Bank. This may not be used in a manner where foreign agencies may interfere through this Bank.

I have other points also. I thank you for allowing me time. I will not take much time of the House. I am sure the Finance Minister while moving this Bill for consideration it will take into account all these things and also will see that since we have already lost three or four years we should not lose more time and the people in the rural areas should have a kind of emotional attachment with this Bank—that this is a National Bank meant for them, mean for their progress and if they come to this Bank they should not feel that this is another organisation of bureaucrats but they will be treated with sympathy. This Bank should have some understanding and a feeling to help the people living there.

16. 37 hrs.

STATEMENT Re : HIJACKING
OF AIR INDIA'S AIRCRAFT

THE MINISTER OF STATE
IN THE MINISTRY OF TOURISM
AND CIVIL AVIATION (SHRI