

12.35 hrs.

NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT BILL—Contd.

MR. DEPUTY-SPEAKER: We shall now take up further consideration of the National Bank for Agriculture and Rural Development Bill. Mr. Xavier Arakal may continue.

SHRI XAVIER ARAKAL (Ernakulam): Sir, yesterday I was referring to the Finance Minister's speech of 1981 relating to the importance given by the Government to the agricultural sector. I may also be permitted to refer to paragraph 48 of his speech in order to show that this Government has given more emphasis and importance to the uplift of the rural economy. Here it says:

"Parallel with the effort at boosting total agricultural production, the Annual Plan lays great stress on special programmes to benefit the weaker sections of rural society such as landless labour, small and marginal farmers, rural artisans and scheduled castes and scheduled tribes."

So, the Government has been endeavouring to have proper rural credit facilities for the rural areas. In this context I may be permitted to refer to the Sixth Five Year Plan before I take up the clauses of this Bill. In the Foreword of this Sixth Five Year Plan document it is stated:

"The Sixth Plan envisages a significant augmentation in the rate of growth of the economy with an annual growth rate of over 5 per cent. In this five-year period we expect to see progressive reduction in the incidence of poverty and unemployment and also in regional inequalities. Greater emphasis has been laid on the speedy development of indigenous sources of

energy and infrastructural sectors of coal, energy, irrigation and transport. High priority has been given to agriculture and rural development and allied agricultural activities like animal husbandry, dairying, fisheries and also the forestry sector, with accent on development and conservation. Substantial outlays have been allocated for the expansion in core sectors and also for cottage, village and small industries as well as for the programmes to provide minimum needs."

Sir, I am referring to these books because the Government has allotted a substantial sum for the uplift of this rural economy. As a result of these endeavours, three or four main areas have developed rapidly, especially in the priority sector.

As far as Priority Sector is concerned there is a Report on the trend and progress of banking in India 1980-81. That is the Reserve Bank Publication. It has very clearly said on page 12:

"Priority Sector Targets

Bank were advised about the acceptance of the recommendations of the Working Group on the Modalities of Implementation of the Priority Sector Lending and the 20-Point Economic Programme. The banks were as to endeavour to attain the following targets:

..... In achieving the target of 40 per cent of total lending to the priority sector by 1985, banks should aim at ensuring that a minimum of 40 percent of the additional credit every year flows to the priority sectors."

In this background we have to examine how far this apex body, the so-called National Bank, will ensure proper credit facilities and uplift the rural economy.

The preamble of this Bill says:

"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."

If you refer to the definitions, clause on "agriculture" explanation to (a) says:

"For the purposes of this clause, "pisciculture" includes the development of fisheries, both inland and marine, catching of fish and all activities connected therewith or incidental thereto;"

My first submission is that this is a very narrow view.

If you refer to the other clauses of this Bill it is nowhere mentioned that sufficient fund will be given for the development of fisheries. I have been saying again and again that we should have independent cabinet ranking Ministry for the proper development of fisheries. I would like to know as an apex institution how far you are going to help in the development of fisheries.

Another point which I would like to highlight is the co-operative sector. In definitions (d), (f) and (u) refer to the co-operative sector. The Reserve Bank of India Annual Report 1980-81 at page 46 has given very elucidating figures as far as co-operative sector is concerned. It says:

"As on June 30, 1981 there were 1,604 co-operatives banks coming under the purview of the Banking Regulation Act, 1949, comprising 29 State co-operative banks, 347

central co-operative banks and 1,228 primary co-operative banks. The total number of licensed co-operative banks stood at 304, comprising 7 State co-operative banks, 25 central co-operative banks, and 272 primary (urban) co-operative banks.

During the period July 1, 1980 to June 30, 1981, 180 licences were issued to 18 State co-operative banks and 162 primary co-operative banks for opening new offices, as against 113 licences issued during the corresponding period of 1979-80.

This House expressed the view that many of these co-operative banks are not catering to the need of the needy. It is monopolised, controlled by the affluent part of the rural society.

Therefore, it should be seen that the benefit percolate to the lower strata of society. But it being a State subject, I do not know how far the Central Government can interfere in this matter.

Coming to clause 21, sub-clause (3), it says:

"(a) to any State cooperative bank if the loan or advance is fully guaranteed for repayment of principal and interest by Government;"

Why should be State Government give a guarantee? If the object is to give credit to cooperative sector, do you believe in the credibility of the State cooperative bank or not? I do not understand why this proviso is put here. This is a matter for the hon. Minister to examine. Why are the State cooperative banks asked to give a guarantee of the State Governments as far as the payment of principal and interest is concerned?

Another point which is very important is in regard to the duties of the Managing Director. If you refer to Chapter III, Management of the

[Shri Xavier Arabal]

National Bank, Clause 5, sub-clause (2) says:

“ . . . shall act on business principles with due regard to public interest.”

“public interest” should be the paramount consideration. What you mean by “business principles”? Are you going to put a high rate of interest? I would like to know it.

Above all, if you refer to the duties and functions of the Managing Director, sub-clause (3) says:

“ . . . and may also exercise all powers and do all acts and things which may be exercised or done by the National Bank.”

Why should you give such wide powers to the Managing Director? What are the powers of the Chairman? As far as this Bill is concerned, the Chairman has the duty to preside over the meetings. That is all. The entire power is concentrated in one individual, that is, the Managing Director. Do you agree with the proposition? I don't. We have been saying that there should be decentralisation, division of labour and duties. Too much power vested in the Managing Director, though this is an apex body, may not be conducive to the proper functioning of the Bank itself. It is at par with the IDBI and other apex financial institutions. But we know the problems and difficulties in getting loans from these institutions.

Further, Clause 9 says:

“No person shall be a director who—

* * *

(2) The appointment as director of any person who is a Member of Parliament or the Legislature of any State shall, unless within two months of the date of his appointment he ceases to be such member, be void . . .”

I do not know why this untouchability as far as the Members of Parliament or the Legislature are concerned. Though there may be some constitutional impediments, we should try to have people's representation in the financial institutions.

PROF. N. G. RANGA (Guntur):
They can be in the Advisory Council.

SHRI XAVIER ARAKAL: Yes, they can be. But they are debarred. I am very much pained to see this provision here. That is why I am bringing to the notice of the hon. Minister that though this may be an office of profit, my submission is that that should be rectified.

The Members of Parliament on the Legislature are not un-touchables. There are many capable Members of Parliament who can give proper advice or consultation. There should be a representation of the Members of Parliament or the Legislature or elected bodies.

Then, Clause 38 says:

“The National Bank—

(shall coordinate its operations and the operations of various institutions engaged in the field of rural credit . . .”

May I ask what will happen, to the existing system? Will this create more red tapism or more problems because some loans are limited to 18 months' period?

And how are they going to function? I think that this proposition 'shall coordinate its operations' should not be an impediment in the implementation of this Bill. Otherwise, the object will be defeated. The fact is that a farmer or an institution has to go from pillar to post to get a loan. Therefore, this is a matter which should be considered a little more carefully.

Clause 44 is “The National Bank shall establish a Fund, to be known

as the Research and Development Fund."

But, it is not mentioned in the Statement of Objects and Reasons. How are you going to give the money? Which are the institutions? The answer may be, when the rules are framed this will be elaborated. But this is an odd Clause in a Bill like this where the main object is to give credit facilities to various institutions as an apex body. But here it says that there will be a Research and Development Fund. I fully agree with you that there should be more Research and Development in the agricultural sector, especially in the fisheries sector. But, how and what are the schemes which the Bill has enunciated and explained in this Clause? I cannot understand. That is a matter which requires re-consideration.

In Chapter IX, we find

"Staff"

50. (1) "The nationalised bank may appoint such number of officers..."

My one humble submission to the Minister is this: Please don't put anybody on deputation. Many firms, many public sectors have this system. Kindly see that the staff are not on deputation, especially the managerial cadre. If we want to have proper implementation, and use of this Bill, kindly see that this Clause is rather taken care of, by not putting on deputation.

These are some of the observations that I would like to make. Otherwise, this Bill is really, as I said earlier, a mile-stone in the matter of credit system in the rural areas.

You are fully aware how our farmers are suffering from lack of credit facilities. This will certainly uplift the rural economy the village industry and other sectors, provided the remarks I have mentioned here are

also considered and tried, by making a little amendments here and there.

With these words I support this Bill. Thank you very much.

SHRI CHITTA BASU (Barasat):
The National Bank for Agriculture and Rural Development which this Bill proposes to set up has two main objectives.

The first is the credit flow to agriculture.

The second is the integrated rural development.

The Government has proposed this Bill with basically these two objectives and for that purpose, a national bank is sought to be set up.

I do not claim that we, on this side alone know the real profile or actual profile of our rural life. I know—particularly the Finance Minister for whom we have great regard but who is not here at present and other Hon. Members sitting opposite—they have also the experience of rural life, of the condition of life and the work of the people in the countryside. Therefore, it is not our monopoly. That I concede. But still, I feel necessary that the House should once again be reminded of the profile of the countryside today. What is the profile?

In this connection, we should know the ownership pattern of land in the countryside. It is also necessary for us to know the rural asset distribution pattern. It is also necessary to know the stalking poverty prevailing in our countryside. It is also necessary for us to know the rural asset distribution rural unemployment. It is also necessary for us to know the crushing burden of indebtedness now being heaped upon the agriculturists of our country; and finally it has also to be known as to what are the terms of trade between agriculture and industry. This is the totality of the countryside; this

[Shri Chitta Basu]

is the totality of the profile. Within a few minutes I want to describe it as simply as possible.

As regards land ownership, you know that five per cent. of the top land-owners possess 35 per cent of the total cultivated land in our country. 20 years ago this was the position, and this monopoly ownership of land continues even today. According to the Agricultural Census, four per cent of big land-owners still own 31 per cent of the cultivated land. On the other hand, 70 per cent of the cultivators own less than one acre of land. Therefore, the profile is clear that there is landlessness, there is scarcity of land for the agricultural population or farming population of our country.

Then I come to the profile of asset-distribution in the rural sector. A committee of experts has identified it; according to their opinion, the top ten per cent household own half of the total rural assets, they have got in their possession more than 50 per cent of the rural assets, while the bottom 20 per cent own only one per cent of the total rural assets. The disparity is clear. This is the actual profile of the countryside so far as assets are concerned. About land, I have already explained.

The number of people below the poverty-line is continuously rising. It rose from 220 million in 1960 to 250 millions in 1970. It further rose to 375 millions in 1976. The Sixth Five-Year Plan admits that 290 million people live under the poverty line. Of these 290 million people, 160 million people are extremely poor as they earn less than 75 per cent of the national poverty line.

MR. DEPUTY-SPEAKER: You want all these problems to be solved by this National Bank?

SHRI CHITTA BASU: Now I come to unemployment. Even the Sixth

Draft Five-Year Plan stated that unemployment in March 1978 was 20.6 millions of which 16.5 millions are in the rural areas.

Regarding indebtedness of our peasantry, there have been many estimates; I will refer to the latest one. According to this estimate of experts, the total indebtedness in the rural areas is about Rs. 6,000 crores.

This is the rural profile. In this context, Government brings forward a Bill not only for facilitating the credit flow into the rural side but also for integrated rural development. Can you conceive of development of an integrated nature without taking into account the profile that I have drawn now? You will agree that there cannot be an integrated rural development unless these aspects of the rural life are taken into consideration. What does the Bill propose to do? Regarding agricultural credit, I agree that it is a new move, a welcome move, that there should be more flow of agricultural credit. Let us see what has been the total flow according to certain studies which I had the privilege or going into. The Commercial Banks up till now have given to the agricultural sector an amount to the tune of Rs 2000 crores. The Co-operative Banks have also given of the same order--that is Rs. 2000 crores. The Rural Banks which are of a recent origin by this time have been able to give only Rs. 200 crores. So in all it is not more than Rs. 4200 or 4500 crores. But what is the Sixth Five Year Plan projection. It is Rs. 5400 crores of agricultural credit which the Government proposes to achieve. Now, this is overall. I am sorry I could not find any figure is to what is the total credit need in the agricultural sector. In the absence of that I cannot firmly inform the House as to what is the gap between the Government projection and the need. Therefore, I will be very much glad if the hon. Finance

Minister volunteers the information as to the total credit need for agriculture in our country at the present time. But my conclusion is that there is a big gap between the two.

Now we have to meet that gap. What does the Bill propose? The Bill proposes that a Bank will be set up. The Bank will be set up with a capital of at the most Rs. 500 crores—to begin with it is Rs. 100 crores which will be raised to Rs. 500 crores. You will understand the actual situation.

Now the question is: what is needed now for agricultural credit and integrated rural development? What is needed is the amount of money to be ploughed into. It is not the question of agency. My first objection to the Bill is that the Bill has taken as the crucial and pivotal point the question of agency. Instead of various agencies, they want to bring together all the agencies under one umbrella. The question is not whether it will be one umbrella or two umbrellas or more umbrellas. The question is not whether there should be one roof, two roofs or more roofs. The question is the amount of money to be ploughed into. Here the Government has not taken into account the basic need of agriculture and the basic requirement which is needed to-day. Therefore, I have said the basic need is not the agency. The Bill now proposes to have one umbrella, one counter, one roof...

PROF. N. G. RANGA: But that is good enough to start with.

SHRI CHITTA BASU: Whether it is good or bad, I am not saying it. That is not the problem. The problem is not the roof. The problem is not the umbrella. The problem is not the counter. The problem is what is to be distributed, what is to be delivered, what is to be ploughed into and to whom. With regard to this concept of one agency, I find the Reserve Bank of India had these multifarious agencies also and if you go through the RBI Act, Sections 46A, 46B and 54 deal with these aspects and the pur-

pose of this Bill is more or less co-terminous. I do not like to read it out. The object of these sections of RBI Act and the object of this Bill is co-terminous and is more or less the same. I want the Minister to reply to it. What is the necessity of clipping the wings of the Reserve Bank when the functions are the same and in what way does this divestment of power of the Reserve Bank helps to facilitate the credit flow. This is an integrated rural development bank. This is my second point. My third and last point is this. I do not want to take much of your time. I shall take two minutes only. You know, Sir, that I do not take much of your time and I am a very obedient and disciplined person.

13 hrs.

MR. DEPUTY-SPEAKER: You are a very good friend also.

SHRI CHITTA BASU: I want to draw the attention of the hon. Minister to the provision of this Bill. My simple point is that there should be a research department and the research work should be done by the national bank. As you know, Sir, there is an organisation called Agricultural Finance Corporation. I would like to quote its functions.

'1. AFC helps Commercial Banks participate actively and extensively in agricultural development. Its main functions are:

(i) to identify, formulate and/or apprise bankable projects especially in backward areas and invite Commercial Banks, individually or on consortium basis to finance them;

(ii) to undertake such other activities as would promote flow of Commercial Banks' finances to agricultural sector.'

That means it has also got its own expertise. I am glad Mr. Venkataraman has now come. I would have been happy had he been here.

[Shri Chitta Basu]

This A. F. C. has got some expertise in the field. If you permit me a minute, I shall quote:

“The National Commission on Agriculture, in its interim report in 1971, had said that it might be ultimately necessary to set up an agricultural development bank of India on the lines of IDBI to consolidate the expertise and experience of the various agencies such as the Agricultural Credit Department of R.B. I., the Agricultural Refinances and Development Corporation (ARDC) and the Agricultural Finance Corporation (AFC) into a single national organisation directing the flow of agricultural credit according to needs for the full utilisation of land and manpower.”

In that report mention was made about the AFC which has got a pool of experts. Now, in this Bill, when other organisations are being taken, this AFC has been left out. As a matter of fact, I wrote a letter to the hon. Finance Minister that since some expertise is available there why he is not making use of that. I hope that he would also make the position clear as to why the AFC was not included in this in so far as expertise is concerned.

Finally, I say that though the intentions of the bill are good, the provisions do not go further with those intentions. I hope the Government will re-formulate the whole policy.

MR. DEPUTY-SPEAKER: Therefore, you support this Bill with some reservations, I think.

SHRI CHITTA BASU: With much reservations I support this Bill. I have already explained that these intentions could have been fulfilled even through the R. B. I. As a matter of fact, I have raised a point namely, the All India Rural Credit Reviews, Committee, while making recommendations, did really take into account all these aspects that I have mentioned and it

came to this firm conclusion that they should constitute an Agricultural Credit Board within the R.B.I. The purpose could have been served by the R.B.I. itself. So, where is the need to have another agency? As I mentioned, it is not a question of having one roof or more roof; the question is not having one counter, two counters or more counters or the question is not having one umbrella or more umbrellas but the question is for having the flow of credit and for having an integrated approach for the rural development. For that purpose, I say that the Bill is not adequate and this Bill does not serve that purpose.

MR. DEPUTY-SPEAKER: Now, the House stands adjourned for Lunch to meet again at 14-05 hours.

13.05 hrs.

The Lok Sabha adjourned for Lunch till five minutes past Fourteen of the Clock.

The Lok Sabha re-assembled after lunch at eleven minutes past fourteen of the Clock.

[MR. DEPUTY-SPEAKER in the Chair].

NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT
BILL—Contd.

PROF. N. G. RANGA (Guntur): Mr. Deputy Speaker, Sir, I welcome this Bill wholeheartedly.

Sir, for a long time past we have been asking for a thing like this. I remember as long ago as in 1954, I introduced a Resolution in the Rajya Sabha asking for an Agricultural Finance Commission. The then Deputy Minister for Finance and a famous freedom fighter, Mr. Arun Chandra Guha, accepted the objects and principles of my Resolution on behalf of the Government. We have had to wait

till now for this kind of a Bill. In between there was the Agricultural Refinance Corporation and various other things which came to be established. They could not meet all the needs of our agriculturists. This Bill even goes beyond that. Not only are the agriculturists to be served but there are also various artisans who number more than fifty millions in this country. They are self-employed; they are all scattered all over various villages of our country. They have also to be protected; they have to be provided with necessary and timely credit. We should improve the economic independence. And independence of these two great sections of our people who are mostly self-employed people from any kind of employers. It is in order to serve these people that this National Institution is now being brought into existence.

I do not know why my friend Shri Chitta Basu took exception to the establishment of this Bank, as apart from the Reserve Bank. In fact, Sir, when the Reserve Bank itself came into existence, even at that time, no less a person than our national leader, Pandit Motilal Nehru and others, complained pointing out that the Reserve Bank could serve the needs of our agriculturist class in our country. It was in response to their complaints and their criticisms that the then Government promised to develop a Rural Section or a Rural Department within the Reserve Bank. Thereafter, decade after decade, year after years, we have been complaining how the Reserve Bank had not been paying sufficient attention to the prime needs of our agricultural community. At long last there was the Agricultural Commission which was appointed by Indiraji's Government and it was presided over by my hon. friend Mr. Minqha. That Commission recommended that such a Bank as this should be brought into existence to have overall control and responsibility in the matter of providing necessary credit to the different sections of our

rural people, agriculturists and artisans.

I welcome this Bill. I have a sense of satisfaction that a part of the dream which we have all been entertaining all these years is coming to be fulfilled through this Bill. I congratulate my hon. friend Mr. Venkataraman for having this opportunity of being its author.

Now I wish to take up two or three points in greater detail. The ambit of agriculture has got to be examined. I suggested that Horticulture should be taken as being comprehended by the term Agriculture. When I made such a suggestion, I was told by my friend Mr. Venkataraman that it is comprehended already. My friend, Mr. Farulekar, was warning me that in its latest judgement, the Supreme Court expressed the opinion, a definite opinion, that agriculture does not comprehend horticulture. I am also advised that in some of the judgements from High Courts agriculture was even defined as comprehending horticulture. So, I would like this point to be carefully examined by my hon. friend, Mr. Venkataraman, with the assistance of his advisers and if he finds it necessary, make it very clear we all have doubts whether agriculture comprehend horticulture also. I would be very glad indeed if he finds it not necessary but at the same time he should be prepared to keep this idea also in his mind and if and when the need arises if this clarification would be made, I would be quite happy.

Then there are definitions given in two sub-clause (w) and (x). They have stated here as follows:

“(w) words and expressions used herein and not defined but defined in the Reserve Bank of India Act, 1934, shall have the meanings respectively assigned to them in that Act”;

[Prof. N. G. Ranga]

Now, it is too much for an ordinary Member for a parliamentarian to go over all these things and to depend upon the other Acts. Again there is another Act and that is the Banking Regulation Act. There also we have to depend upon the definitions provided there. I wish our Law Ministry had taken some trouble to spell out something here or rather provide clarifications, at least in the Clarification Section added to this Bill.

Then I come to Integrated Rural Development. It is all good, but a time may come when the needs of the cottage industries would come to be considered so important that a separate Bank may have to be established for their benefit. Indeed in several of the State Legislatures resolutions have been passed demanding a separate Finance Corporation for handloom weavers alone. Therefore, there would be need for an independent and equally powerful comprehensive legislation for the benefit of the cottage industry workers.

Then there is the question of share capital for the Bank. It is put here "to start with Rs. 100 crores and it may be raised to Rs. 500 crores". Why this term of Rs 500 crores is thought of, I do not know. Why should the Government feel that it is very important to limit it thus? Whatever limit it may think to be necessary in the course of time, in the light of their experience may be fixed later on. But since it is already there and there is no time for us or the Government to alter it, I would like the Government to keep this point also in mind.

Now, there are Harijans, the backward classes and tribal people. For these people also, separate Finance Corporations are being established in various States and I know that these are functioning very effectively in my own State, Andhra Pradesh. I want those Corporations also to get help and assistance from this Bank. I

trust that they would also be kept in mind when the time comes for extending its protection. I would like to know whether the Food Corporation of India and other similar Corporations which are being established, for instance, the Textile Corporation of India, the Jute Corporation of India and so on which have to extend credit to various sections of our agriculturists would also come within the umbrella of this bank and if they do come, I would be happy. But in that case the financial strength of this bank would have to be further developed. Therefore when this Bill becomes an Act, units like National Rural Credit, National Long-term Operations Funds, Specialisation Fund for the sake of famines and cyclones and military operations also and Research & Development funds are going to be established. I would like a specific allotment to be made to Research and Development Fund instead of having to depend upon this Development Bank. These three are very good funds.

I would like to add one or two words in regard to this Specialisation Fund. Natural disasters take place in our country almost every year in some part or other, whether it is drought followed by famine or cyclone followed by disasters, locust, frost and various other things, and we need a special insurance fund for protecting our farmers against these disasters. Even if we were to establish one like that for the whole of this country, it would be quite helpful. These calamities sometimes come to be so great, so calamitous that their demand for resources to protect our people, to salvage them would be far beyond the capacity of any such Bank, the capacity of our Government in any one year.

Therefore, I have been suggesting for a long time that there should be an International Fund on top of our national Fund and I would like my hon. friend, Mr. Venkataraman to

take up this matter with the F.A.O. and various other organisations also. The F.A.O. is supposed to have an establishment, what is known as the Food Emergency Fund. That would not be enough. When I made this suggestion to Mr. Desai, the then Prime Minister, he said "we do not want to get into the international entanglements." The entanglements have become necessary in the world and one cannot escape from them and the world is responsible to everyone of this country and the peoples of the world and therefore people should remind them of their responsibility and persuade them to establish an International Fund for the protection of these people in different countries.

Now, there are certain guarantees to be waived by the Bank for the loans that they advance. In all the cases, in all the circumstances, these guarantees are to be waived or can be waived. They have not been spelt out fully. I would like that to be looked into. Should we not make some special provisions for the Adivasis, Harijans and backward areas. Apart from what-ever has been provided here, I would like that also to be examined.

Then this National Bank is to be authorised to purchase shares in many institutions apart from what has been spelt out here. You will have to inform the House what kind of institutions from which they can purchase shares.

Clauses 22, 23, 24, 26 and 27 are all very good. They are all to be really placed on the record of the House in the course of our speeches. I do not have time to read them out here. But they are the real life they are the real 'Pran' of this Bill and I am all in favour of them.

My last word is about the Board of Directors and its constitution. I am not in favour of the legislators being brought into this as Directors because the legislators have to sit on judgement over the activities of all these banks. Do we have legislators on the

Board of Directors of the Reserve Bank of India? I do not think so. I speak subject to correction.

THE MINISTER OF FINANCE (SHRI R. VENKTARAMAN): No. Similarly, there should be no legislators here also. We should not be burdened with this kind of responsibility. Our capacity to criticise, to condemn them and to advise them would be very much reduced. But at the same time I would like our Members of Parliament and various others also to be included in the Advisory Council which is to be established. I am glad that the Government has not fixed any strength for this. The strength can depend upon the number of experts and specialists who are interested in the rural people and rural development to be invited to be members of this National Advisory Council. But then what about proper representation for the co-operative banks? I am not satisfied with the quantum of representation that is suggested here. I would like this to be increased. Among the co-operative banks also, you have different types, the land development banks, the cooperative credit banks, and separate financial corporations in various States and so on. The quantum of representation for them also has got to be increased. Then, what about the backward areas? States are to be provided with only two places on the Board of Directors. You have got States and States in our country; there are some small states, but at the same time from the economic and political point of view, their significance is very great. They have to be provided representation. Two representatives alone for the States on the Board of Directors would not be enough. I can understand one for the Southern States, one for the Northern States, and there should be one for the smaller States put together. They should think of providing that in course of time. I do not know whether it is possible just now otherwise let the Government keep that in mind.

[Shri R. Venkataraman]

I can make many other observations by way of criticism and doubts, if I were speaking from the opposition side, because that is the manner in which the opposition should naturally function in order to should naturally function in order to warn the Government where it fails, or where it is not acting adequately. But speaking now from this side of the Treasury benches, I wish to suggest that the Government should keep in mind the suggestions that I have made and others have made.

I would like the Administration to continue to remember that no Bill has ever achieved its full objective unless the administration cooperates and administers the Acts that are being passed here, in a very sympathetic manner. Till now neither the Reserve Bank of India nor the administration at the Central Government level has shown or displayed, as much regard, affection sympathy and attention to the needs of the agriculturists and rural people as we would have liked. It is only because our Prime Minister has realised this that she has helped our Finance Minister to go ahead with this proposal. I hope that the House would welcome this Bill and pass it as soon as possible so that our agriculturists can begin to be protected.

15 hrs.

SHRI D. P. YADAV (Monghyr): Mr. Deputy-Speaker, Sir, the framers of our Constitution under the Directive Principles of State Policy have very rightly observed under Article 48, which reads:

"The States shall endeavour to organise agriculture and animal husbandry on modern and scientific lines and shall, in particular, take steps for preserving and improving the breeds..."

Mr. Venkataraman, I hope, your Bank will fulfil this goal, philosophy behind this Article.

Sir, one of the great philosophers, Pandit Jawaharlal Nehru, who be-

lieved in science and modern technology and due to whose efforts, India became the third scientific manpower in the world of today...

MR. DEPUTY-SPEAKER: And also in scientific mentality.

SHRI D. P. YADAV: Yes, Sir. With Pandit Jawaharlal Nehru's efforts and fore-sight, we in India are proud of the fact that we are the third scientific and technological manpower in the world. But, unfortunately, with this large resource and reservoir of scientific and technological manpower, we have to import food this year. Is it not a great slap on the face of the Administrators and the Scientists and the policy-makers of this Administration that we have to import food?

Sir, we cannot starve people with high hopes. Before the elections we were saying:

आधी रातों खाएंगे, इंदिरा को बुल एंगे ।

All right, Sir, people of this country believed that Indira Gandhi will be able to provide them full meals. At least they contended themselves with half a meal, half-bread. Mind it, Sir, people should not be allowed to go in for one-fourth of their meal.

There are so many problems before this country. It is not the philosophy, creation of banks or making an inverted pyramid structure of officers and other structures. That matters, the result should not be nil.

I am very much with Shri Venkataraman. You have full support and liberty to go ahead. But Mr. Venkataraman, would you like to hear the working conditions? When I was the Union Deputy Minister for Education, I appointed a committee where scientists from all parts of the country were drafted to draw up a master integrated plan for my district. I asked these Professors and Scientists to make their impartial observation regarding the farmers; and I will

just read out the observations. Mr. Venkataraman, please mind it.

The first observation they have made:

"The administrative machinery is practically inoperative due to extreme corruption."

Their second observation is:

"The relation between the officers and the staff of the Government and the people is not smooth and cordial. On the one hand, the Government officers and Staff are quite averse to distress and sufferings of the people, on the other the people are quite afraid to face officers, let alone seeking advice."

About the second batch officers, see what they say:

"There is a strong apathy of Government Officers, whether listening to the problem of poor people, especially farmers, or finding any solution for them, or extending any assistance in the form of information or data on any aspect of agriculture, settlement of services. There is utter lack of responsibility on the part of these Officers."

About these Banks they say:

"The financial institutions, neither the lead Banks, nor financial or commercial and other banks have deliberately made the terms and conditions and that the procedural methods on their credit facilities are so complex and difficult, that it has been virtually found impossible for any farmer to get loans for any effective purpose. There are strong evidences of favouritism and nepotism in this method. That has started corruption."

These are not my observations, but those of scientists who were drafted. Would you like to have the list of these Scientists, Sir? These Scientists work on National Geo-physical Research Laboratory, from the Indian Institute of Technology, Geological

Survey of India. They were all drafted together. They produced a document which is called Land Management Programme in the Monghir District in Bihar, with a bearing on the regional integrated development of the rural economy. In that district, in new collaborative area of approach by G. L. Dutt, Director, Geological Survey of India. This is the approach paper. But after six or seven years, nothing has come out. Three big volumes of the Report presented to the Planning Commission is just lying in the dust bin. In the Manpower Planning Cell, this big Report by Prof. B. C. Chattopadhyay of the Indian Institute of Technology is just in cold storage. And what has happened to the integrated rural scheme of Mandpur Sahib?

MR. DEPUTY-SPEAKER: Mr. Yadav, I think you did not put it in the dust-bin when you were Minister.

SHRI D. P. YADAV: No, Sir. I was very particular about it. No report was in the dust-bin. Unfortunately this is in the Planning Commission.

I have narrated the state of affairs there; what is happening there.

Ten to fifteen per cent is the palm-greasing advance needed by the Bank in the District and Subdivisional Headquarters and Block Headquarters. I have met Mr. Venkataraman Sahib four times regarding a loan of a bank in Haryana. He had assured me that action will be taken, but unfortunately no action has been taken. This is the effectiveness of this great Minister, for whom I have high regard. You have failed in your own Administration in your own machinery. Merely converting the Agricultural Refinance Corporation into a Bank organisation is not going to fulfil the objective. What we need along with the bank facilities, the whole infrastructure and the endowment survey, geo-morphological mapping, ground-water survey, all these data should be integrated together and then have an

[Shri D. P. Yadav]

integrated Plan. You don't have that. Can Mr. Venkataraman or our learned friend Shri S. B. Chavan, who is the Planning Minister say that he has got a single block data regarding the total potential survey of the district? Have you got the land management of the district or the Block? No. Without land management programme, without adequate endowments survey, water resource survey, you cannot do. So, along with this bank management, have a land endowment survey, land capability map, water resources map and other scientific data, which Pandit Jawaharlal Nehru thought about.

MR. DEPUTY-SPEAKER: Please conclude.

AN HON. MEMBER: Sir, he is making a good speech, he should be given some more time.

MR. DEPUTY-SPEAKER: It is not connected with the Bill.

SHRI D. P. YADAV: It is very much connected, Sir.

MR. DEPUTY-SPEAKER: Some grievances, he has got against the Finance Minister. That is connected.

SHRI D. P. YADAV: No, Sir. I have just given an example. Let it be on record so that the Finance Minister could do nothing.

Now, Ranga Sahib has said: "Don't take the Members of Parliament on the Board of Directors." All right. But Members of Parliament and Members of the State Legislatures should not be treated as 'achhoot'. अचूत They should be associated as visitors to the Banks. A Member of Parliament should be an Ex-Officio visitor on all the Banks of his Constituency. He should be allowed to see the working of the Bank. Otherwise, Sir, what is your grip? You have seen the administrative grip. They cannot be your friends. Mr. Venkataraman. The officers sitting in the Gallery cannot

be your friends. The moment you are out of Office, they will take away even your bag they have given you for presenting the Budget. They will bow heads only when you are in Office.

And now, Sir, this is the document Sixth Five Year Plan. I must thank this man, one of the great Scientists of India, Dr. M. S. Swaminathan for preparing this Document. Let it be on record, Sir, that here is an Agricultural Scientist, who has been instrumental in making this beautiful Draft. He has drafted it after his experience. We are also thankful to him for being elected Chairman of the Council on FAO. This is the prestige we have attained.

AN HON. MEMBER: Will it go to the dust-bin?

SHRI D. P. YADAV: Let it go.

MR. DEPUTY-SPEAKER: You are going to discuss the Sixth Five Year Plan later.

SHRI D. P. YADAV: Sir, you look here what this Foreward is saying:

"The day will dawn. Hold the faith fast."

The farmers have held their faith firm. But the days have never dawned.

With the setting up of this Bank, I hope Mr. Venkataraman will make the functioning of Banks smooth. Kindly associate Members of Parliament as visitors, and Members of State Legislatures in their respective banks. The operations should be there. Have infra-structural and total groundwater and other surveys of the area done. This Bank should have coordination with other Banks like Land Development Bank, Lead Bank and the Regional Rural Development Bank. All this should be there.

I would say, in the end, that the Ministry of Agriculture should always

be associated in this scheme. There should be full coordination. Please go and see the condition in our parts of the country. I do not know about your parts. But in our parts, money is swindled by contractors, engineers and block officers. It is a general phenomenon. It does not go to the poor, teeming millions, but goes to the pockets of a very limited number of people. This should be kept in mind; and the bank should be a pace-setter and it should help the poor people of this country—and be of help to the farming community.

With these words, I commend this Bill and wish Mr. Venkataraman success in the endeavour.

SHRI P. RAJAGOPAL NAIDU (Chittoor): I have to congratulate the hon. Finance Minister for bringing the National Bank for Agriculture and Rural Development Bill, 1981. It is really a major advance in the banking system in favour of agriculturists.

I want to say that 44 years have gone by since Prof. Ranga, the father of the kisan movement, released from the platform of Faizpur Kisan Congress, a kisan manifesto in which there was a demand for an Agricultural Finance Corporation. Now Mr. Venkataraman has brought in this Bill which fulfils the aim of Prof. Ranga. That is why I have to congratulate him again.

In 1963, Government found that there was a credit gap of 81 per cent on the agricultural front. So, they wanted to have the Agricultural Re-Finance Corporation. It was a forward step, but since they were financing the cooperatives and also the banks, they were not serving the poor agriculturists. When we study the co-operative system, we always find that the big landlords were utilizing the sums; and some families were, in the name of benami loans, utilizing all the funds. Even the Agriculture Commission says that land ownership was a dominating criterion for admission of new members and for extending

credit to the poor people. It says that the cooperative leadership and management were mainly in the hands of bigger farmers.

That was the situation till Indira Gandhi came to power. After she came to power, she wanted to help the small farmers, marginal farmers and agricultural labour. So, she nationalized the banks and directed them to finance these people. Only from that time onwards, these small farmers used to get credit. As Mr. Chitta Basu has said, nearly 90 per cent of the farmers are small farmers. So, if these banks have to serve anybody, they have to serve only them. The direction given by Shrimati Indira Gandhi was useful in that we are catering to the needs of these people.

This time Mr. Venkataraman has exempted poor people taking loans upto Rs. 5,000/- from giving security. That is another step in implementing the 20—point programme.

The Agriculture Commission has said that in order to enable these farmers to catch up with the previous lag, weightage has to be given in the credit system, to their needs. Credit should be extended to them on preferential terms, both in regard to interest charged and quantum of advance.

As Ranga Ji has said, there should not be any ceiling on the money to spent, or the finances of these banks. It is said that the ceiling is Rs. 500 crores. It is not necessary. It can be extended to any quantum.

Even after this, there were imbalances with regard to financing in various States. For example, in the north-eastern region, re-financing arrangements had been made. But the banks were not able to give money, because there was no infra-structure or trained people. So, they were not able to give loans.

Unbanked areas are there in Bihar, Madhya Pradesh and other States.

[Shri P. Rajagopal Naidu]

So, there is no uniformity in giving credit. As such, I request the Finance Minister to see that the imbalances are not there, and to find out a procedure so that all States are served with these finances.

It is also said that in some States, there are no land records. As Mr. Yadav said, unless records with regard not only to land but also survey of groundwater resources and others are there, it is not possible for banks to give credit to the agriculturists.

Even now, the banks are collecting money at an interval of three months. It is not possible for agriculturists to pay the sums at such intervals. To get a crop it takes at least six months. How can they pay at intervals of three months each? If they do not pay at intervals of three months, penal interest is collected from them. So, I say that the instalments of payments should be collected at intervals of one year.

I have to mention two things. One: there is a scheme taken up by the Central Government to construct rural godowns. It is a good thing; but who is to place foodgrains and agricultural commodities there? The agriculturists. But they are not getting finances. Our Speaker also has criticized the Governor of the Reserve Bank for making a statement that loans should not be given to hold stocks. After all, small and middle class peasants must have the capacity to stay on. Only then can they get better prices. So, the procedure should lay down that farmers should be given loans for stocks if they keep them in the godowns.

Earlier, the Land Mortgage Bank used to give money for purchasing lands. It is not necessary to give loans to rich farmers to purchase lands. Now the small and marginal farmers and agricultural labourers are

very much anxious to purchase lands. So, for purchasing land also, loans should be given.

I will end my speech after saying a couple of things. One thing is said here about the connection between the Reserve Bank and the National Bank. It is as follows:

"The proposed bank is to have organic link with the Reserve Bank."

There is no objection to it. But it is the intention that the Reserve Bank's close link with the rural credit should be retained and its authority as a Central Bank over monitoring and credit accretion should not be diluted in any manner. There my apprehension is that the Reserve Bank is going to have the same authority. What we want is that an independent bank is necessary, and providing money and to see whether the money is properly spent or not is also a different thing. But if the Reserve Bank is going to have its stranglehold on this National Bank, then I think there is no necessity of having this Bank at all. Therefore, I request the Finance Minister to see that in making policies and planning things and distributing credit, there should not be any dependence of this Bank on the Reserve Bank.

Now, we are having bitter experience with the officials in commercial banks. They are not used to rural areas, they are not having experience about the rural areas or sympathy with them. Of course, there are some people who by nature are sympathetic towards agriculturists, but not all. Therefore, after selecting the staff they must be given training in rural development so that they may have at least some commitment towards agriculturists and their welfare.

श्री लक्ष्मण हुसैन (महाराजगंज) :
उपाध्यक्ष महोदय, इस लोक सभा के पिछले सत्र में जब हमारे मंत्री जवान वाले वित्त

मंत्री जी ने इस बिल का प्रस्ताव पेश किया था तो बहुत तालियां बजी थीं, खुशी भी लोगों ने मनाई थी कि बड़ा अच्छा बिल आ रहा है। लेकिन जब यह बिल देखने में आया तो ऐसा लगा कि जैसे पहाड़ खोदने के बाद चूहिया निकली। मैं इसलिए ऐसा कह रहा हूँ कि एग्रीकल्चर डेवलपमेंट जो इतना बड़ा सबजेक्ट है, उस सबजेक्ट पर और जिस में इतने बड़े धन की आवश्यकता है उसमें आप यह छांटी सी रकम रखने जा रहे हैं। पहली बात तो यह जान लीजिए कि केवल साँ करोड़ रुपये से यह डेवलपमेंट का काम शुरू किया जा रहा है और अधिक से अधिक 5 साँ करोड़ रुपये रखा गया है। लेकिन जहाँ आवश्यकता 5 हजार करोड़ रुपये से ऊपर की है वहाँ साँ करोड़ या पाँच साँ करोड़ रुपये लगा कर के, यह एक खिलौना दे कर वहालाया ही जा रहा है। एग्रीकल्चर का भला इस में नहीं होने जा रहा है।

दूसरी बात यह है कि आप ने जो यह बिल रखा है उससे देहात के क्षेत्रों को क्या मिलने वाला है? उन को कम व्याज पर कर्जा मिलेगा ऐसी कोई बात इस बिल में नहीं मौजूद है। बल्कि मैं आपको रिजर्व बैंक की रिपोर्ट में जहाँ इंटररेट रेट आन एग्रीकल्चरल लोन के ऊपर 148 प्वाइंट दिया हुआ है, उस से थोड़ा सा घोराने पड़ कर सुनाना चाहता हूँ :

“Following the revival of the tax on interest earnings of Scheduled Banks in the Union Budget for 1980-81, the rates of interest charged by commercial banks on loans and advances, including agricultural advances were stepped up. In March 1981, the cooperative banks were again advised to increase the rates of interest to the ultimate borrowers in respect of agricultural loans, consequent on the rise in the rates of interests allowed on deposits having maturity of over one year.”

मैं यह बताना चाहता हूँ कि सन 80 और 81 दोनों के बजट के जरिये एग्रीकल्चर को दिए जाने वाले कर्जों का रेट आफ इंटररेस्ट और बढ़ाया गया है। यह एग्री-

कल्चर के साथ बहुबन्दी का एक नया रास्ता हमारे वित्त मंत्री जी ने खोला है।

दूसरी बात जो मैं कहना चाहता हूँ, वह यह है कि इस के ढाँचे को आप किस तरह से रखने जा रहे हैं। पहले तो को-ऑपरेटिव बैंक हों या और कोई भी बैंक हो, उनको अपनी शाखा खोलने के लिए रिजर्व बैंक से परमीशन लेनी पड़ती थी, लेकिन अब क्या है कि बीच में आपने एक और एग्रीकल्चरल बैंक खोल दिया है, बजाय सीधे इजाजत लेने के अब इनके जरिए इजाजत लेनी पड़ेगी, जिसकी वजहसे काम नहीं हो पाएगा।

तीसरी बात, जो इसमें काम करने वाले लोग हैं, चाहे वे आफिसर हों, चाहे कर्मचारी हों, उनकी तनखाहों में दूसरे बैंकों की तनखाहों में काफी अन्तर है। एक जगह सामीप्य बैंक के मैनेजर की एक तनखाह है और उसी जगह स्टेट बैंक के मैनेजर की दूसरी तनखाह है और इसी प्रकार चंपरासी की तनखाहों में भी अन्तर है। कहीं आपका इरादा यह तो नहीं है कि सरल बैंक खोलकर एक दूसरी फॉज बैंक एम्प्लाइज की पैदा करने जा रहे हैं—इस बारे में आप साफ तौर से जवाब दीजिए।

इसके अलावा यह कहा गया है कि हॉणोरीफाएट का डेवलपमेंट होगा, एग्रीकल्चर का डेवलपमेंट होगा और स्पॉल स्कूल इन्डस्ट्रीज के मायने में गन्नी आने ली, लेकिन हॉण्डलूम का इसमें कहीं कोई जिक्र नहीं है। आप कहेंगे कि हॉण्डोक्राफ्ट में भी हॉण्डलूम आता है और स्पॉल स्कूल इन्डस्ट्रीज में भी हॉण्डलूम आता है, लेकिन मैं आप से साफ सवालों में जानना चाहता हूँ कि हॉण्डोक्राफ्ट लूम आता है या नहीं आता है? हॉण्डलूम का डेवलपमेंट इन्होंने में भी होता है और देहातों में भी होता है और उनको आपको कम व्याज पर ऋण देने की व्यवस्था करनी होगी। उसके लिए जैसा कि प्रो. रंगा ने कहा है कि एक अलग कारपोरेशन, एक अलग बैंक की आवश्यकता है और मैं समझता हूँ कि आप जल्दी ही कोई ऐसा कदम उठावेंगे, क्योंकि हॉण्डलूम से आप बावस्ता रह चुके हैं, दस साल तक आप

[श्री अशफाक हसन]

तामिलनाडू में मंत्री रह चुके हैं, इसलिए मैं उम्मीद करता हूँ कि हण्डलूम के लिए विशेष योजना आप चाहें इस बैंक के जरिए या दूसरे किसी बैंक के जरिए लाने की कोशिश करेंगे।

उपाध्यक्ष महोदय, मैं ज्यादा समय न लेते हुए केवल एक दो बातें और कहना चाहता हूँ। जहां रिजर्व बैंक के ढांचे का सवाल है, वहां रिजर्व बैंक के सेंट्रल बोर्ड डायरेक्टर्स हैं, गवर्नर हैं, डिप्टी गवर्नर हैं और उसके बाद डिफरेंट विभागों के अन्दर आप ने डायरेक्टर्स नोमिनेट किये हैं और उसी के साथ आपने मेम्बर्स आफ दै लोकल बोर्ड्स करके रीजन बोर्ड्स बनाए हैं—वैस्टर्न एरियाज, ईस्टर्न एरियाज, नार्थन एरियाज, सदर्न एरियाज। वास्तव रूप में यदि आप एग्रीकल्चर बैंक का काम विस्तार से चलना चाहते हैं और देशांतरों के लोग तथा भारत वर्ष के लोग इससे बाबस्ता हों, तो लोकल बोर्ड्स को तरह से रिजर्व बाडीज को तरह से, जिस तरह से रिजर्व बैंक में वैस्टर्न एरिया, ईस्टर्न एरिया, नार्थन एरिया और सदर्न एरिया हैं—उसी तरह से सात-आठ एरियाज बनाने और वहां के लोगों को उससे बाबस्ता करें। जैसे कि श्री डी. पी. यादव ने जो सुझाव दिए हैं, मैं उनसे सहमति प्रकट करते हुए अपनी बात समाप्त करता हूँ और आपका धन्यवाद देता हूँ कि आपने मुझे बोलने के लिए समय दिया।

शुद्धी लश्फाक हसन (महाराज गंज):

1. आदरणीय महोदय - इस लोक सेवा

के इच्छाले सक्षम हैं। जब हमारे

हितोत्तरीयों के लिये वत सन्तुष्टीयों को

इस लो के परस्ताव प्रिये कहा त्वा -

बहत ताल्लहाय भुक्ती त्हों - खुशी भी

लोकों ने सन्तुष्टीयों को कहा त्वा ल

आ रहा है - लेकिन जब भी लो दिकेले

मों आया त्वा इसल लका के जेहेसे प्रिया

केहोने के बाद चोहेया नकली - मों

इस लिये इसा केह रहा हों के

अभियुक्तों के लिये अन्तर्गत जो

संश्लेषण पर इस संश्लेषण पर

जिस में अन्तर्गत के दहन की आशियुक्त

है इस में आप भी चोहेया सी दम

रुकीले जा रहे हैं - प्रियायों त्वा

ये जान लिये के केवल सो करोड़

से ये दो आशियुक्त का काम शुरु

रहा है और अन्तर्गत से अन्तर्गत

करोड़ रुपिये रुका गया है - लो

आशियुक्त प्रियायों हजार करोड़

की है वहायों सो करोड़ प्रियायों

रुपिये लका करके ये एक केहोना

दे करके प्रियायों लका जा रहा है -

अभियुक्तों में प्रियायों नही

होने जा रहा है -

दूसरी बात ये है के आप ने जो

ये लो रुका है इस से प्रियायों के

चोहेयायों को केहो लोने वाला है -

अन्तर्गत पर प्रियायों लका कोणी

बात इस में प्रियायों लका है -

बल्कि इस में आप को प्रियायों की

प्रियायों से प्रियायों अन्तर्गत

अभियुक्तों लोने के अन्तर्गत

दिया गया है इस से प्रियायों

प्रियायों के सन्तुष्टीयों लका

“Following the revival of the tax on interest earnings of Scheduled Banks in the Union Budget for 1980-81, the rates of interest charged by commercial banks on loans and advances, including agricultural advances were stepped up.... In March 1981, the cooperative banks were again advised to increase the rates of interest to the ultimate

borrowers in respect of agricultural loans, consequent on the rise in the rates of interests allowed on deposits having maturity of over one year."

میں یہ بخانا چاہتا ہوں کہ سڈ
۱۹۸۰ع اور ۱۹۸۱ع دونوں کے بجٹ
بیلنک کے ذریعے ایگریکلچر کو دیئے
جانے والے قرضوں کا ریٹ آف انٹریسٹ
اور بڑھایا گیا ہے۔ یہ ایگریکلچر کے
ساتھ بھونڈی کا ایک نیا راستہ ہمارے
وت ملتری جی نے کھولا ہے۔

دوسری بات جو میں کہنا چاہتا
ہوں وہ یہ ہے کہ اس کے قہانچے کو
آپ کس طرح سے رکھنے جا رہے ہیں۔
پہلے تو کوآپریٹو بیلنک ہو یا اور
کوئی بھی بیلنک ہو ان کو اپنی شاخہا
کھولنے کے لئے ریڈرو بیلنک سے پرمیشن
لینی پڑتی تھی لیکن اب کہا ہے
بجائے سیدھے اجازت لینے کے اب ان
کے ذریعہ اجازت لینی پڑے گی جس
کی وجہ سے کام نہیں ہو پائے گا۔

تیسری بات جو اس میں کام
کرنے والے لوگ ہوں چاہے وہ آفسیئر
ہوں چاہے کرمپناری ہوں ان کی
تلفواہوں میں دوسرے بیلنکوں کی
تلفواہوں میں کافی انتر ہے۔ ایک
جگہ گراموں بیلنک کے مینجمنٹ کی
ایک تلفواہ ہے اور اسی جگہ اسٹریٹ
بیلنک کے مینجمنٹ کی دوسری تلفواہ
ہے اور اسی پرکار چھدراسی کی
تلفواہوں میں بھی انتر ہے۔ کہیں

آپ کا ارادہ یہ تو نہیں ہے کہ رورل
بیلنک کھول کر ایک دوسری فرج
بیلنک ایمپلائز کی پیدا کرنے جا رہے
ہوں۔ اس بارے میں آپ صاف طور
سے جواب دیجئے۔

اس نے علامہ یہ کہا کیا ہے کہ
ہیلڈی کرافٹ کا ڈیولپمنٹ ہو گا۔
ایگریکلچر کا ڈیولپمنٹ ہو گا اور
اسمال اسکیل انڈسٹریز کے معنی تو
صحیح آتے ہیں لیکن ہیلڈی لوم کا اس
میں کہیں کوئی ذکر نہیں ہے۔ آپ
کہیں گے کہ ہیلڈی کرافٹ میں بھی
ہیلڈی لوم آتا ہے اور اسمال اسکیل
انڈسٹریز میں بھی ہیلڈی لوم آتا ہے
لیکن میں آپ سے صاف شہدوں میں
جاننا چاہتا ہوں کہ اس میں ہیلڈی لوم
آتا ہے یا نہیں آتا ہے۔ ہیلڈی لوم کا
ڈیولپمنٹ شہروں میں بھی ہوتا ہے
اور دیہاتوں میں بھی ہوتا ہے اور
ان کو آپ کو کم بیجا پر شرن دینے
کی ووستھا کرنی ہوگی۔ اس کے لئے
جیسا کہ پروفیسر رنگا نے کہا ہے کہ
ایک الگ کارپوریشن ایک الگ بیلنک
کی آوشکتا ہے اور میں سمجھتا
ہوں کہ آپ جلدی ہی کوئی ایسا
قدم اٹھائیں گے کیونکہ ہیلڈی لوم سے
آپ وابستہ رہ چکے ہیں دس سال
تک آپ ناسل ناڈو میں ملتری رہ
چکے ہیں اس لئے میں امید کرتا
ہوں کہ ہیلڈی لوم کے لئے شبھیں ہوچنا
آپ چاہے اس بیلنک کے ذریعہ یا

[شری اشفاق حسون]

دوسرے کسی بیلک کے ذریعہ لائے گئے
کوٹھارے کریں گے۔

ایسا دیکھیں مہودے میں زیادہ
سے نہ لیتے ہوئے کھول ایک دو
ہائیں اور کہنا چاہتا ہوں۔ جہاں
رزرو بیلک کے قیام کے سوال ہے
وہاں رزرو بیلک کے سیلنگ ہورہے
ڈائریکٹرز ہیں گورنر ہیں ڈپٹی
گورنر ہیں اور اس کے بعد ڈپٹی
ویسٹمنسٹر کے اندر آپ نے ڈائریکٹرز
نومینیشن کئے ہیں اور اسی کے ساتھ
آپ نے مینسٹر آف دی لوکل بورڈس
کر کے ریجنل بورڈس بنائے ہیں۔
ڈپٹی مینسٹر ایریزا ایسٹرن ایریزا نارٹھ
ایریزا ساؤتھن ایریزا - واسٹو روپ
میں یو ایچ ایگریکلچر بیلک کا
کام دستار سے چلانا چاہتے ہیں اور
دیہاتوں کے لوگ تنہا بھارت ورکش کے
لوگ اس سے وابستہ ہوں تو لوکل
بورڈس کی طرح سے لوکل بورڈس کی
طرح سے جس طرح سے رزرو بیلک
میں ویسٹمنسٹر ایریزا ایسٹرن ایریزا
نارٹھن ایریزا اور ساؤتھن ایریزا ہیں۔
اسی طرح سے سات آٹھ ایریزا بنائیں

کریں۔ جیسے کہ شری ڈو - پی -
یادو نے جو سچہاؤ دئے ہیں میں ان
سے سہمتی پرکرت کرتے ہوئے اپنی
بات سمایت کرتا ہوں اور آپ کو
دھلیواؤ دیتا ہوں کہ آپ نے سچہ
بولنے کے لئے سے دیا۔]

SHRI G. L. DOGRA (Jammu): I
thank you very much for granting me
time at least today. It was my turn
yesterday, but I did not get it which
I resented very much. I am grate-
ful to you.

I congratulate the hon. Finance
Minister for bringing forth this much-
needed measure. He also further
deserves congratulation for proceed-
ing in a cautious manner. It has been
said that Rs. 100 crores have been
provided and the financial limit of
this authority can go to a maximum
of Rs. 500 crores. It is true that so
far as the problems of rural areas are
concerned, they are enormous. But
if my friends on the other side think
that those problems may be reduced
or can be solved by one measure, by
opening of the Apex Bank, or one
institution, throughout the country, it
is not possible. This is mainly a re-
financing institution and this has got
very good aspects also. If some part
of the country is struck by drought
or famine or some natural calamity,
this Bank can help in financing the
agricultural operations and market-
ing. It can also re-schedule loans
given to the small-scale industries and
artisans. It can help the agricul-
turalists by advancing them loan and
save them from distress sales. There
are numerous aspects but due to
shortage of time, I would draw atten-
tion only to a few.

13. hrs.

Banking is a central subject, but
co-operation is a State subject. I
submit that State cooperative banks
should be under the Centre because

banking is a central subject. There are many ills created by the cooperative banks while distributing loans in rural areas under various schemes of the Central Government. Most of the loans distributed through cooperative banks are used for political purposes. There is a scheme for inspection of the commercial banks by Reserve Bank. Since you are starting this new bank, the chief executive heads of the cooperative banks should be appointed in the same manner as in the case of commercial banks. Unless this is done, these ills which have been created by the mal-distribution of loans in rural areas are not going to be eradicated, on the other hand, they will increase. When more and more funds are made available, if they are used for political purposes, we are not going to achieve the desired results. Therefore, there should be some apex body like the Reserve Bank or this new bank which should control the operations of these cooperative banks in the rural areas.

As far as the structure for distribution is concerned, you have said that there are regional rural banks. But in some of the backward States, there are no regional rural banks. So, you will have to study this aspect thoroughly as to what are the institutions which in backward areas will be recognised by the Reserve Bank, through which this newly created measure will operate.

It is a very good thing that you are going in for integrated rural development, which is a necessity. Small-scale industries and artisans in the rural areas should be financed, but by which institutions they will be financed will have to be studied carefully. So far as this new scheme is concerned, you are proceeding with care and caution. You will proceed upto Rs. 500 crores and beyond that, if need be, you will come again to Parliament and receive the sanction for a bigger amount. But what is the structure that will be created for using this? A study will have to be

made and some structure will have to be evolved, particularly in the backward areas and it is necessary to have effective control over that structure and distribution. As pointed out by the earlier speakers, these facilities should not be availed of only by the rich farmers. Priority should be given to helping the small farmers, artisans, small-scale industries and rural industries, after the creation of this bank.

THE MINISTER OF FINANCE (SHRI R. VENKATARAMAN): Mr. Deputy-Speaker, Sir, since I do not think we can pass the Bill today, I do not want to disappoint the number of Members who have taken part in the discussion, by not referring to some of the good points which they have made. Therefore, I shall proceed to deal with the general points raised in the course of the debate and refer to some of them individually.

Hon. Members are aware that agricultural credit had largely been in the hands of the money-lenders. It is only in the last two decades that it has been shifted from money-lenders to institutions. In 1961 when the first all-India debt and investment survey was conducted, it was found that institutional credit was 18.4 per cent of the total rural indebtedness. Rest of the credit came from money-lenders. Since then the cooperatives have done some valuable work and the nationalisation of banks have helped to increase the credit to the agriculturists. So, when the second survey was made in 1971 it was found that institutional credit was 31.7 per cent of the total rural indebtedness. The third survey will be started by the NSS in 1981. I am quite sure that the survey of 1981 will be able to give a more favourable picture than the last two surveys. In the meanwhile, we have established the regional rural banks. They have, to a very large extent, been able to handle the smaller, the marginal and the weaker sections of the rural areas. This survey will

[Shri R. Venkataraman]

bring out the contribution made by the RRBs in the matter of supplying credit to the rural population.

A number of criticism was levelled against the commercial banks that they have not been liberal in supply of credit to the rural areas. Actually, in 1961 the credit of the commercial banks to the rural areas was Rs. 188 crores. In June, 1981, this has increased to Rs. 3700 crores. I do not say that it has met all the needs. But then I want to place on record the commendable progress made by the commercial banks in respect of providing credit to the rural areas.

Some Members have dealt with the question of regional imbalance. This has sought to be corrected by the Agricultural Refinance and Development Corporation. The ARDC has identified all the North Eastern States as backward States and also identified 8 States as backward areas to which special attention is given for the flow of rural credit. These States are—Himachal Pradesh, Jammu & Kashmir, Rajasthan, Bihar, Orissa, West Bengal, Madhya Pradesh and Uttar Pradesh.

Some apprehension was expressed by hon. Members that as a result of the establishment of NABARD interest rate is likely to go up. I wish to give a categorical assurance that the interest rates will not go up on this account, because of the establishment of the NABARD. It may go up for other reasons, but it will not go up because NABARD is established.

Hon. Members also expressed concern over the overdues, which have been increasing. It is well known that unless there is a proper recycling of funds, credit becomes scarce to the rural areas themselves. It is in the interests of the State Governments to see that overdues are not allowed to become larger, and that

collections are made regularly, because it is only through that process they can provide larger credit to the rural population. If they allow overdues to accumulate, then some of these banks will not become eligible to borrow from the central organisation with the result that those areas will be starved of credit. So, I would take this opportunity to emphasize the responsibility of States to see that the overdues do not accumulate in their respective areas and also to see that the re-cycling of funds is made to the best advantage.

Some members mentioned about the Board of Directors and the Advisory Councils. Some Members stated that Members of Parliament should be members of the Board of Directors while some others said they should not be. My feeling is that Members of Parliament, who have the right to oversee the activities of a Bank of this character, should not be members of the Board of Directors. On the other hand, they should exercise their right of supervision over these banks, as well as the apex and central banks, so that when the reports are placed before Parliament, they will be able to make a critical examination of the working of the Bank and offer their comments. By being members of the Board themselves, they will be placed in an embarrassing position and their criticism will lose some of its weight. Therefore, it is we thought that it is not proper for the Members of Parliament to be in the Board of Directors.

Whether they should be in the Advisory Council is a matter which we will examine, because in the Advisory Council they have no executive functions, whereas their experience, their knowledge and expertise will be of great use. I will have that matter fully examined.

Some members expressed apprehension that there will be an ouster of the jurisdiction of the State Government or of the co-operative banks on

account of the NABARD. I wish to assure them that there is no such scope at all, because NABARD is a refinancing institution, which has to function through the State Bank and apex institutions. For instance, NABARD will give loans to the State co-operative societies, to the State Land Development Banks. It will refinance the operations of such institutions. Therefore, without the State institutions it cannot directly give any loan to any particular party.

Some of the members, particularly Shri Rajagopal Naidu and others, mistook the functions of the NABARD. They thought it was a primary institution which would give direct loans to the parties. It is not so. Actually, it will be performing its functions only through the primary institutions of the States, which will be getting refinance from NABARD. So, there is no ground at all for the apprehension that either the importance of the co-operative societies or the State Governments in this regard would in any way be jeopardised or affected.

Shri Ashfaq Hussain said that there will be confusion between the NABARD and the RBI with regard to authority. There again I wish to assure him that there is no such occasion at all, because the Central Government will contribute 50 per cent of the share capital of the NABARD and the RBI will contribute the other 50 per cent, and then this becomes another new institution. RBI does not exercise any supervisory function over the NABARD but, on the other hand, as a co-owner of it will see that its policies with regard to credit are maintained. Also, some Members asked: Why should the RBI regulate the credit schemes of the NBARD and why should they have this power? Sir, the hon. Members are aware that the Reserve Bank of India is the arbiter in respect of all credit and monetary functions of the country. It has to see that there is an overall control over credit expansion, it has to see that it has the over-

all control over money supply and it has to see that there is no inflation in the country. So, these are the functions which can be exercised only by one institution and that is the Reserve Bank of India and it exercises them through various other institutions. We have the IDBI which gives credit facilities to industry. We are creating the NBARD which will give credit and other facilities to the rural as well as agricultural operations. Similarly, the Reserve Bank must have control over all these institutions with a view to see that the total money supply in the country is regulated. Otherwise there is no interference whatsoever from the Reserve Bank with the NBARD. In this connection Mr. Chitta Basu asked: 'Why do you want another institution?' As Prof. Ranga said, there has been a demand for over 40 years for a separate institution to take care of agriculture. And to take care of the rural handicrafts industries and rural artisans has been the demand of the country. The national demand, in fact, started from Pandit Motilal Nehru. Right down to this day every successive commission and committee has recommended that this should be done because the principle is that there should be one organisation which centralises the activities in respect of rural development. Till now there has been no such institution. There are institutions which are taking care of the agricultural credit. There are institutions which are taking care of the small-scale industries. But there are no institutions as such, but some kind of programmes with commercial banks taking care of the handicrafts and the artisans. Now, this is the first time they are combining the activities of all those connected with rural development under one aegis and bringing it under one authority. On the other hand, I thought that Mr. Chitta Basu should welcome it.

SHRI CHITTA BASU: My point is: Does it really materially change the credit structure or the credit

[Shri Chitta Basu]

flow? The Reserve Bank were doing this job till now and merely by divesting the powers from the RBI, how do you propose to increase the credit flow?

SHRI R. VENKATARAMAN: On the contrary, by having a separate institution it will be possible to take care of the various interests. If you do not have that kind of institution, the Reserve Bank with the various other functions that it has, with all the functions like credit control, monetary control and so many other things will not be able to devote the attention which is required for development of agriculture, rural industries, rural artisans and so on. That is why this is very necessary.

My friend, Mr. Mahajan gave a very valid support to the Bill and he emphasised one thing, viz. that the 20-point programme which is only a programme and which is part of the activities of the commercial banks is not now under the direction of one single authority. THE NBARD will be able to take care of this programme as well as the programmes in respect of the Scheduled Castes and Scheduled Tribes—some Member also mentioned it—and also the activities in respect of the rural artisans and every one of these various categories connected with rural life. Therefore, it will take care of the needs of the poorer sections of society for which we have under our policy laid down that 40 per cent of the credit should be given to these sections before 1985.

Mr. Chandrajit Yadav was also supporting it, but he doubted whether credit would be available for research activities like fertilisers, pump sets etc. I want to assure him that it will be available through the primary societies and it is one of the functions of NBAD to re-finance such activities.

Shri Uma Kant Mishra complained that some of these funds were going to the wealthy and the landed people. I cannot deny it. I cannot say that it is totally untrue or incorrect. But all that we can do is to see that better distribution of the available credit is made by reserving a portion of the credit for the weaker sections. It can be achieved in this way and this can be monitored by the respective institutions. We cannot pass a law saying that richer persons cannot have recourse to this nor can we specify that certain percentage alone should be given to them. All that we can say is that we can give directions to NBAD to see that in the re-financing schemes that it undertakes, adequate protection is given and adequate credit is given to the weaker sections of society.

There is another question about the Advisory Committee being constituted in several areas. I have not thought about it. We are now thinking only of one Advisory Committee. I will have the matter examined viz., whether there could be Advisory Committee in regions in addition to one Central Advisory Committee.

Shri Shamanna of course, is a Gandhian and he wanted that everything connected with the khadi village industries should come under the aegis of this NBAD. I am not sure it will be possible to do that. However, I can assure him that no rural activity worth while would be ignored by NBAD and it will find the support from this institution.

One or two questions were raised by Prof. Ranga and also by others viz., that this definition of "agriculture" does not include horticulture. The Supreme Court Judgment which was referred to relates to an Income Tax case in which the definition of agricultural income was interpreted to mean that it does not mean to include horticulture. Ours is an inclusive definition. Nevertheless there is no harm to accept it. I am going

to accept the amendment proposed by Shri Parulekar and Prof. Ranga so as to make it clear that it will include...

SHRI ASHFAQ HUSSAIN: Does it include handloom?

SHRI R. VENKATARAMAN: I will come to that, I have got that.

The next point which has been mentioned is that there should be special mention of handloom. The way in which handloom is financed to-day is—the handloom apex society gets its credit from the State Co-operative Bank and the State Co-operative Bank will be eligible to get re-finance facilities from NBAD. Therefore, handloom is taken care of.

SHRI ASHFAQ HUSSAIN: Handloom is in private sector also. (*Interruptions*)

SHRI R. VENKATARAMAN: Yes, yes.

They will get from the State Co-operative Bank and the State Co-operative Bank will get refinance. Therefore, it is taken care of.

I may inform the hon. Member when I was incharge of industries in Madras, I started separate handloom Finance Society for handlooms outside the co-operatives. It is possible for such an institution to function and they will also get the facilities through their apex society of the State.

I think I have covered almost all the points.

SHRI CHITTA BASU: I wanted expertise... (*Interruptions*)

SHRI NATHU RAM MIRDHA (Nagaur): I could have given one or two good suggestions.

SHRI CHITTA BASU: I have got one point. I have mentioned the Agriculture Finance Corporation which has got certain expertise in

the field of resources relating to agriculture and rural development. This institution has been left out from the purview of NBARD. What would be the present position of the AFC?

SHRI R. VENKATARAMAN: The A.R.D.C. will be completely merged with the NBARD and will cease to exist. (*Interruptions*) Agriculture Finance Corporation is now in the A.R.D.C. and the A.R.D.C. will be completely merged in the NBARD and the NBARD will be the only institution. There is no question of A.R.D.C. existing side by side.

There is the last point which is about the salaries and allowances of staff. We have come to that already. (*Interruptions*).

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS AND DEPARTMENT OF PARLIAMENTARY AFFAIRS (SHRI P. VENKATASUBBAIAH): If the House agrees, the Bill may be passed today because at 3.30 p.m. the Private Members' Bills come.

(*Interruptions*)

MR. DEPUTY-SPEAKER: Hon. Members, whatever time allotted for this Bill has already been exhausted. You please see the agenda.

SHRI SATISH AGARWAL (Jai-pur): We welcome the measures proposed. But I make it very clear that the discussion.....

MR. DEPUTY-SPEAKER: You will get the whole 2½ hours time allotted for the Private Members' Bills...

SHRI SATISH AGARWAL: In future, any new measure which has to come up should be referred to the Select Committee.

MR. DEPUTY-SPEAKER: Sometimes everybody must cooperate. What I say is your 2½ hours time for Private Members' Bill is not going to be curtailed. You will have it. Sometime we kill the time, we waste

[Mr. Deputy-Speaker]

the time. So many hon. Members were not allowed to speak because of this. The hon. Members must note.

Now, is it the sense of the House that we will complete this Bill and go to next business?

SOME HON. MEMBERS: No.

SHRI P. VENKATASUBBIAH: Sir, if they show such non-cooperative attitude....

SHRI SATISH AGARWAL: Let the Finance Minister appreciate the position. (*Interruptions*).

MR. DEPUTY-SPEAKER: Hon. Members, please listen. Time already allotted for this Bill is 4 hours. Whenever any Member speaks, we cannot stop him. They want to say everything which they intend to say. Therefore, I have to give more time.

SHRI SATISH AGARWAL: We have always been cooperative.

SHRI R. VENKATARAMAN: Before I conclude, I heard Shri Chitta Basu saying about AFC merger also. The position is that A.F.C. is an independent consultancy organisation and will exist like that.

SHRI CHITTA BASU: The AFC should also be merged.

SHRI R. VENKATARAMAN: AFC is an independent organisation. It is not a part of A.R.D.C.

MR. DEPUTY-SPEAKER: Shri Chandrajit Yadav has moved an amendment to the motion for consideration. I find he is not present. So, I put the amendment to the vote of the House.

Amendment No. 1 was put and negatived.

MR. DEPUTY-SPEAKER: The question is:

"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."

The motion was adopted.

MR. DEPUTY-SPEAKER: Now, we take up the Private Members' Business.

15.30 hrs.

COMMITTEE ON PRIVATE MEMBERS' BILL AND RESOLUTIONS

THIRTIETH REPORT

SHRI RASHEED MASOOD (Saharanpur): Sir, I beg to move:

"That this House do agree with the Thirtieth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 25th November, 1981."

MR. DEPUTY-SPEAKER: The question is:

"That this House do agree with the Thirtieth Report of the Committee on Private Members' Bills and Resolution presented to the House on the 25th November, 1981."

The motion was adopted.