

production of coking coal indigenously?

SHRI PRANAB MUKHERJEE: I have already stated that we are trying to do this by exploring new mines, by expanding the capacities of wharves to reduce the ash content and by streamlining the transportation from the producing areas to the consuming areas etc.

श्रीमती कुब्जा साही: मंत्री महोदय ने कहा है कि कोयले के प्रोडक्शन में शार्टफाल हुआ है। मैं जानना चाहती हूँ कि जो शार्टफाल हुआ है उससे कितना घटा हुआ है ?

SHRI PRANAB MUKHERJEE: I have already mentioned that our expected demand would be 17 million tonnes and according to the Coal authorities, they can provide us 15.8 million tonnes of indigenous coking coal. Therefore, the shortfall so far as the steel sector is concerned is 1.2 million tonnes.

Bank Average in West Bengal vis-a-vis in the country

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*84. **SHRI SAMAR MUKHERJEE:**

PROF. RUP CHAND PAL:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that while on an average there is one bank per 20,000 people in the country but in West Bengal there is one bank per 35,000 people;

(b) if so, the reasons therefor;

(c) whether it is also a fact that credit deposit ratio of the rural and semi-urban branches in West Bengal was 24% and 35% against the national average of about 35% and 47% respectively;

(d) if so, reaction of Government thereto; and

(e) steps taken by Government to remove the disparity?

THE MINISTER OF FINANCE (SHRI R. VENKATARAMAN): (a) to (e). A statement is laid on the Table of the House.

Statement

As at the end of December 1979, on an average, there was one bank branch for every 22,000 people in West Bengal. The corresponding all India average was one branch for every 17,000 people. However, exclusive of the branches at urban and metropolitan centres and the population of such centres, there was one rural/semi-urban branch for every 35,000 rural/semi-urban people in West Bengal and for every 22,000 people for the country as a whole.

Several factors such as the heavy backlog of neglect of rural and semi-urban areas by the banks in the pre-nationalisation days, limited capacity of the banks to undertake branch expansion programme in rural areas and limited availability of growth centres with adequate infra-structural facilities and good business potential had contributed to the poorer banking coverage of the rural areas in West Bengal.

The credit : deposit ratios of the rural and semi-urban branches in West Bengal were 34.7 per cent and 23.7 per cent respectively as at the end of June 1979. The corresponding all-India ratios were 54.4 per cent and 47.3 per cent respectively.

The Government have been concerned about the inadequate banking coverage of the rural and semi-urban areas in West Bengal both in terms of availability of banking facilities in and flow of credit to rural and semi-urban areas. To improve their population coverage, particularly in underbanked rural and semi-urban areas, the banks have been asked to devote their branch expansion programme during 1979-81 primarily to the opening of branches at unbanked rural and semi-rural centres in defi-

cit districts so as to ensure by 1981 a coverage ratio of one rural/semi-urban branch for every 20,000 rural/semi-rural people. In terms of this programme, the banks are required to open 785 branches at rural/semi-urban centres in deficit districts of West Bengal. The Reserve Bank of India is coordinating the implementation of the programme by the banks in consultation with the State Government. Banks have also been asked to devote special attention and effort towards ensuring larger credit assistance to the priority sectors in general and to the beneficiaries of the 20-Point Programme in particular and to endeavour to step up the credit: deposit Ratio of their rural and semi-urban branches. As the programme of recording the rights of the share-croppers progresses, the banks also will be able to increase their lending to the agricultural sector.

On 5th April this year I specially took, at Calcutta, a meeting of the representatives of the Banks operating in West Bengal, the Reserve Bank of India and the State Government, to discuss the problem of slow banking development in West Bengal and to consider measures to rectify the situation. Banks were asked to take expeditious steps to increase credit deployment in West Bengal, special attention being devoted to the priority sectors and within those sectors to the poorer segments of the society. To ensure that the problem of credit deployment in West Bengal was reviewed on a continuing basis, it was also decided to set up a Standing Working Group, with the Reserve Bank as the convenor and representatives of the State Bank of India, the three lead banks in the State and the State Government as members. This Group has since been set up. The Group will meet regularly and oversee the measures being taken by the Banks for increasing their credit assistance to the priority sectors and to the beneficiaries of the 20-Point Programme in West Bengal.

SHRI SAMAR MUKHERJEE: The statement admits disparity in the matter of coverage of population by the banks as also the credit: deposit ratio. In the statement, it is stated:

“However, exclusive of the branches at urban and metropolitan centres and the population of such centres, there was one rural/semi-urban branch for every 35,000 rural/semi-urban people in West Bengal and for every 22,000 people for the country as a whole”.

It is far below the overall average. It is good that the Government has come out with this admission. However, one of the reasons advanced for this disparity is:

“...heavy backlog of neglect of rural and semi-urban areas by the banks in the pre-nationalisation days....”

Nationalisation had taken place long before. What about post-nationalisation days—1969 to 1980? The same neglect is continuing and this must be admitted honestly. (*Interruptions*). The credit: deposit ratio in West Bengal is also far below the average and this also has been admitted by the Minister in the statement.

MR. SPEAKER: Please put your question now.

SHRI SAMAR MUKHERJEE: The statement has been laid on the Table of the House. Let it be known to all the hon. Members also. Had he given an oral answer, all the Members would have known about these facts. Therefore, I am reading this. The general impression is that West Bengal is an advanced State.

PROF. MADHU DANDAVATE: Politically.

SHRI SAMAR MUKHERJEE: The statement admits:

"The credit: deposit ratios of the rural and semi-urban branches in West Bengal were 34.7 and 23.7 percent respectively as at the end of June, 1979. The corresponding all-India ratios were 54.4 per cent and 47.3 per cent respectively."

The complaint of the people is that West Bengal has been consistently neglected in this matter, in fact, the whole of eastern belt, not West Bengal alone. Now, some steps have been suggested by the Government. I welcome those steps; and the Minister himself has taken the initiative in this matter. But he has stated:

"Banks have also been asked to devote special attention and effort towards ensuring larger credit assistance to the priority sectors in general and to the beneficiaries of the 20-Point programme in particular and to endeavour to step up the credit: deposit ratio of their rural and semi-urban branches. As the programme of recording the rights off the share-croppers progresses."

(Interruptions).

AN HON. MEMBER: You put the question. The statement has been made available to all of us.

SHRI SAMAR MUKHERJEE: Generally. Ministers give oral replies. (Interruptions).

MR. SPEAKER: No, No direct exchanges. Order please. Now listen to me. Let me handle it. Mr. Mukherjee, I must bring to your notice that it is not a special thing that this has been distributed. This is a particular practice that we are always having in this House. Statements are laid on the Table of the House daily. I would now like you to put the question (Interruptions).

MR. SPEAKER: I have your point,

SHRI SAMAR MUKHERJEE: My specific question is: the Minister has stated:

"As the programme of recording the rights of the share-croppers progresses, the banks also will be able to increase their lending to the agricultural sector."

MR. SPEAKER: You are not putting the question.

SHRI SAMAR MUKHERJEE: Already the, recording of share-croppers is almost on the verge of completion. More than 10 lakhs have been recorded already. My question is: how much money has been advanced from the banks to these share-croppers? There is the reply that 'we have instructed.' The more the recording progresses, the more the loan will be given. My concrete question is: how much loan has already been given to them, whose names have been recorded, viz. share-croppers. This is one question.

SHRI R. VENKATARAMAN: The improvement that has occurred in Bengal will be apparent, if I give the figures about the banking services before nationalization, and now. At the time of bank nationalization, there was only one bank for every 87,000 people. To-day, we have one bank for every 22,000 people. I want the House to judge whether progress has been made or not. The second thing is why credit has not been given in a greater measure in Bengal. In the rural areas, credit is given to land-owners and people who have right on land. In the land tenure system in West Bengal, as my hon. friends know, share-croppers were not registered, and were not known. It is only in recent years that their record of rights has taken place. That is why I went to Bengal, taking note of all the circumstances there, I held a meeting.

SHRI JYOTIRMOY BOSU: You went to Calcutta, not to Bengal. (Interruptions)

SHRI R. VENKATARAMAN: We

are always treated by the wisdom of hon. Jyotirmoy Bosu from time to time that it makes other people... (Interruptions) I don't get the benefit of his wisdom. The reason is that the records of rights were not there. Therefore, it was not given in the earlier period and I said after the record of rights is becoming more complete now, the loan to the rural population particularly people who have got tenancy rights will be increased. This is the position. I would also like to give some more figures because the hon. friend said that the West Bengal has been badly treated. Well, it is not so. If you look at all the blocks, in every one of the development blocks, there is a branch bank. In the block headquarters in the whole of Bengal only 13 places do not have the bank; and I have instructed that before the end of the year 1980 all the 13 block headquarters also should have it. Next I will also say how far we have met the request from the West Bengal Government in this matter. The West Bengal Government suggested that they should have 732 branches. The Reserve Bank has already sanctioned 426 branches of commercial banks. The Reserve Bank has suggested that there will be regional rural banks in 172 places. In respect of remaining, names have been asked for. Therefore, the number of branches which are going to be opened will be equal to the number as requested by them. I may also add for the information of the House as well as the hon. members that the Reserve Bank has suggested something more than what even the West Bengal Government has requested.

SHRI SAMAR MUKHERJEE: My question is how much work has been done after this decision?

SHRI R. VENTAKARAMAN: We do not have separate account how much has been given to share-croppers. We have only account of the

amount given to the rural population, then to small scale industry and so on. It is very difficult to get information about the share-croppers alone; it will not be possible to get the information.

PROF. RUP CHAND PAL: May I know from the hon. Minister whether lack of adequate credit facility has been responsible for closure of several small scale and medium industries in West Bengal resulting in unemployment of a large number of people; whether the government will take immediate steps to ensure adequate credit facilities to those units so that units which have been closed for want of credit facility can be reopened at an early date?

SHRI R. VENKATARAMAN: The government have no information that small scale industries have been closed down only on account of the lack of credit facilities; and if the credit facilities are required and if an approach is made to the bank, it will be considered on the merit of each case.

SHRI JYOTIRMOY BOSU: One Deputy Governor of Reserve Bank, incharge of banking, made a confession that no rural credit survey particularly with regard to financing of the major cash crop, that is, jute has been conducted ever. Is it or is it not a fact that the Reserve Bank authorities who are the final authorities for opening new branches are standing in the way because they want to keep the rural jute growers and other peasantry in perpetual indebtedness in the hands of the big monopoly houses.

SHRI R. VENKATARAMAN: I want a notice for the first part of the question. My answer to the second part of the question is that the Reserve Bank has agreed to sanction more branches than even what the Bengal Government has asked for

श्री मूलचन्द्र डागा: अध्यक्ष महोदय, मैं यह जानना चाहता हूँ कि बैंकों की नई शाखाएँ जनसंख्या के आधार पर खोली जायेंगी या क्षेत्रफल के आधार पर क्या इस बात का भी ध्यान रखा जायेगा कि उन क्षेत्रों में शाखाएँ खोली जायें, जहाँ आदिवासी बाँर पिछड़े हुए लोग ज्यादा रहते हैं ?

SHRI R. VENKATARAMAN: This relates to West Bengal and if he puts a separate question about Adivasis, I will give an answer.

श्री मूल चंद्र डागा: एरिया क्या होगा ? जैसे राजस्थान में जैस्लमेर है, बाड़मेर है, उस का एरिया बहुत बड़ा है, तो उस में कितनी एरिया में आप खोलेंगे ? एरिया आप कंसिडर करेंगे या क्या क्राइटीरिया होगा ?

SHRI R. VENKATARAMAN: The principles on which banks open their branches are stated by the Reserve Bank. Generally they go by the population, the needs of the place, the various small scale industries and other things which have developed there. There are four or five—criteria and if they satisfy the criteria, the branch is opened. Whether these criteria are satisfied or not, in every block we see that there is one branch. —

SHRI KRISHNA CHANDRA HALDER: The hon. Minister has admitted that West Bengal, especially rural West Bengal has not been covered by the bank services properly. Is he aware that West Bengal Government has given a proposal to the Central Government to open a bank. I want to know whether he will give proper instructions to West Bengal government to open its own bank.

SHRI R. VENKATARAMAN: Opening of a bank is within the exclusive privilege of the Reserve Bank of India. People have to apply to the Reserve Bank and the Reserve Bank may or may not give. I give

information as to what happened in the House.

Committee on Gold Auctions

*85. SHRI K. MALLANNA:

SHRI AMAR ROY PRADHAN:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have appointed a Committee to go into the working of Gold Auctions in 1978; and

(b) if so, the details regarding the terms of reference of this Committee and the time by which its report is likely to be submitted?

THE MINISTER OF FINANCE (SHRI R. VENKATARAMAN): (a) and (b). A statement is laid on the Table of the House.

Statement

The Government of India have appointed Shri K. R. Puri, former Governor, Reserve Bank of India, to examine the various policy and procedural aspects relating to the sale by auctions in 1978 of gold held on Government account and to advise the Government as to the further course of action to be taken in the light of his findings.

The terms of reference are as follows:—

(i) to examine whether the policy decision of the then Government to offer for sale a part of the gold held on Government account was in the public interest and was based on sound economic considerations;

(ii) to examine whether the policy procedures evolved for the sale of gold were such as to adequately safeguard the public interest and whether the procedures laid down were observed at different stages;