

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN): National priority is to encourage investment in the country. That is a national priority. So far as LIC is concerned, to look after the interests of policyholders is the basic responsibility of the LIC. When we come to investment, naturally we have to see the national priority for the investment, we have to see that the investment is safe. Of course, we have got to make a choice when it comes to service to society, service to community. For that matter, we do give consideration to the rural areas and also loans raised by the State Governments with regard to housing schemes, water supply schemes etc. Investments are also made on this basis. So, some of these services to society are national priorities.

MR. SPEAKER: Next question.

SOME HON. MEMBERS *rose—*

SHRI JYOTIRMOY BOSU: You may kindly allow my supplementary question arising out of part (a) of the question...

MR. SPEAKER: Let not hon. Members make it a habit to take 15 minutes on every question. Normally, I find that I am not able to cover more than five or six questions during the Question Hour daily.

SHRI SURENDRA MOHANTY: I wish to raise a point of order...

MR. SPEAKER: No points of order are allowed during the Question Hour. Let the hon. Member please sit down.

SHRI SURENDRA MOHANTY: I rise on a point of submission...

MR. SPEAKER: We do not allow any points of order during the Question Hour.

AN HON. MEMBER: He is coming from Cuttack where there have been disturbances...

SHRI SURENDRA MOHANTY: I may come from Cuttack or from Calcutta. I want to submit that supplementary question related to part (a) of the main question may be allowed.

MR. SPEAKER: Let the hon. Member please sit down.

SHRI JOYTIRMOY BOSU: That was my question also. Part (a) covered my supplementary question also, but you did not allow it. I did not wish to argue with you, Sir.

MR. SPEAKER: Next question Shri Piloo Mody. The hon. Member is absent. Next question. Shri Giridhar Gomango. The hon. Member is absent. I think he is really Go-mango. He is never present here I have been calling his name on questions every day almost for the last seven days, but he has never been present. He is really Go-mango.

Then, Shri Shiv Kumar Shastri. I think he has also gone with him. He is also absent.

Opening of Branches of Nationalised Banks

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267. **SHRI Y. ESWARA REDDY:**
SHRI MUKHTIAR SINGH MALIK:

Will the Minister of FINANCE be pleased to state:

(a) the number of new branches opened by the fourteen Nationalised Banks in the last two years, State-wise; and

(b) the number of Branches opened in the rural areas?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN):

(a) The 14 nationalised banks opened 2269 offices during the two years 1970 and 1971. State-wise distribution of these offices is given in the Statement placed on the Table of the House.

(b) Of the 2200 offices opened by the nationalised banks during 1970 and 1971, 1512 offices were located in rural areas.

Number of offices opened by the 14 Nationalised Banks (State-wise) during the years 1970 and 1971.

Name of State Union Territories	No. of branches opened during	
	1970	1971
1. Andhra Pradesh	66	35
2. Assam	32	22
3. Bihar	65	58
4. Gujarat	146	125
5. Haryana	23	10
6. Himachal Pradesh	19	14
7. Jammu & Kashmir	13	2
8. Kerala	66	30
9. Madhya Pradesh	85	68
10. Maharashtra	156	167
11. Mysore	129	66
12. Orissa	24	14
13. Punjab	29	23
14. Rajasthan	53	36
15. Tamil Nadu	133	82
16. Uttar Pradesh	136	137
17. West Bengal	70	50
18. Chandigarh	—	1
19. Delhi	17	24
20. Goa, Daman & Diu	10	8
21. Pondichery	5	5
22. Manipur	1	3
23. Tripura	5	1
24. Dadra & Nagar Haveli	2	1
25. Laccadive, Minicoy & Amindivi Islands	—	2
Total :-	1,285	984

SHRI Y. ESWARA REDDY: Sufficient staff have not been posted in the newly opened branches as a result of which they are unable to cope up with the work of giving loans to the people. May I know when adequate staff will be posted in these newly opened branches so as to enable them to cope up with the work that is coming up?

SHRI YESHWANTRAO CHAVAN: Gradually, we have to look to the requirements of the branches; I quite agree that in the initial stages, there were some difficulties about staff, but now additional staff are being posted.

SHRI Y. ESWARA REDDY: Many formalities and restrictions are to be complied with while sanctioning loans to the urban and rural poor. May I know whether the procedure will be simplified so as to benefit large sections of the urban and rural poor?

SHRI YESHWANTRAO CHAVAN: I quite see his point that the forms and procedures were and to some extent are even now a little complicated. But efforts are being made to make the forms simpler. Efforts were made to have the forms also in the local languages, so that the people may know the thing, but however much of simplification may be resorted to, ultimately it is a question of getting loans, and naturally, some minimum information will have to be supplied, and people sometimes find it very inconvenient to give information which it is inconvenient for them to give.

SHRI MUKHTIAR SINGH MALIK: May I know whether complaints have been received by the hon. Minister that the rural sections of the society have been denied of loans or they have been discouraged, under one pretext or the other? May I know from the hon. Minister whether Government have received reports to that effect, and if so, what steps have Government taken to redress the grievances of these people?

SHRI YESHWANTRAO CHAVAN: That is too general a question. I can say that we are taking all possible steps to redress the grievances of the people.

SHRI D. N. TIWARY. It has been found that wherever branches of banks have been opened, huge deposits have been made by the people there, and needy agriculturists have been able to get some loan. May I know why Government are not opening branches in every anchal and big trading centre? Has Government this criterion or not?

SHRI YESHWANTRAO CHAVAN: This is exactly the criterion. I will explain this in some detail. You must have heard of the lead bank scheme. The lead banks in charge of those districts are entrusted with the responsibility of undertaking an economic survey of those areas. The first task of the survey is to identify the areas of growth, centres of growth, whether it is anchal, bazaar places, centres of trading activity or industrial activity. The first priority is always given to opening branches in those districts. We have not yet covered all the centres of growth. But a beginning in this direction has been made. That is the policy.

SHRI SHYAMNANDAN MISHRA: May we know whether the rate of expansion has recently slowed down, the reason being that the rate of recovery has come down?

SHRI YESHWANTRAO CHAVAN: The answer to the first part is 'yes', but the reason is not that given by the hon. member. The rate of growth is naturally somewhat less this year. We are trying to consolidate the first branches that we opened. Just now some hon. members complained that though we have opened branches, the problem of staffing is there. It was a question of giving the necessary well-trained staff. That was the problem. Really speaking, in the second year, we have undertaken a little enlarged recruitment and training programme.

I think after this process of consolidation is over, the rate of growth may possibly stabilise at a certain level. I cannot say that it must go on constantly increasing. It must be consolidated and stabilised. So the answer to the first part is 'yes' and to the second 'no'.

SHRI SHYAMNANDAN MISHRA: The rate of recovery has gone down; there is no doubt about it.

SHRI M. RAM GOPAL REDDY: From a perusal of the statement, I see that the growth of the branches is most uneven. Is this not going to lead to further disparity in development?

(**SHRI YESHWANTRAO CHAVAN:** I do not know how we have come to that conclusion.

SHRI M. RAM GOPAL REDDY: See Assam, Maharashtra and Gujarat.

SHRI YESHWANTRAO CHAVAN: Assam, Maharashtra and Gujarat have certainly more. But take for instance, UP or Delhi. Compared to the previous figure, certainly in 1971 the rate of growth of branches is somewhat lesser except in certain States.

I have a little more information. Of the 2,269 new branches opened by the 14 nationalised banks during the last two years, as many as 1512 were in the rural areas. Then if you go regionwise, some of the regions, really speaking, have done better. Take the North-eastern region, for example. If you see the rate of growth of branches, comparatively it is much more than what it was for others. If you see the actual number of the branches in 1970 and 1971, it is less as compared to others, but if you see the pace of growth, it is better. You will have to see the rate of growth. From that point of view, I find that the eastern sector, the central sector and the northern sector are doing comparatively better than the western sector. Naturally in Bombay, there was already a bigger base.

SHRI ANNASAHEB GOTKHIHDE: It appears from the statement that certain States are making headway so far as the numbers of branches are concerned. So far as Maharashtra and Tamil Nadu are concerned, though the figures are more, how many of these branches in those States are located in Greater Bombay and in Madras? And how many of these new branches are located in the rural districts?

MR. SPEAKER: You are asking for figures and statistics out of a general question. Why don't you give notice of a specific question?

SHRI ANNASAHEB GOTKHIHDE: The Minister is willing to reply.

MR. SPEAKER: He may be knowing anything about Maharashtra.

SHRI ANNASAHEB GOTKHIHDE: I am asking about Tamil Nadu also.

SHRI YESHWANTRAO CHAVAN: I would not be able to give the figures particularly about Maharashtra. Possibly, it is quite true that Bombay gets a better share because banks are more concerned about having some urban aspect of it as they need more deposit mobilisation and they are also interested in keeping their own branches at some of the trading centres. So, it is natural so far as the banks are concerned.

But I can tell you that in 1970 and 71, for example, out of the total of 2269 branches, 1512 were in the rural areas, semi-urban were 425, and urban, only 165. For the metropolitan cities and ports like Madras, Calcutta and Bombay, they are nearly 167. This is 167 out of 2269. Out of these 167, Bombay may have a larger share. I do not deny that.

श्री राम रतन शर्मा : क्या मंत्री महोदय को राष्ट्रीयकृत बैंकों से, खास तौर से उत्तर प्रदेश में, गरीब प्रादमियों को और विशेषकर हरिजनों को ऋण न दिये जाने की शिकायतें प्राप्त हुई हैं ; यदि हां, तो

उन्होंने इस बारे में क्या कार्यवाही की है ?

प्रधान मंत्री : यह सवाल तो ब्रांचें खोलने के बारे में है ।

श्री राम रतन शर्मा : यह उस से सम्बन्धित है : अगर ब्रांचें खुलेंगी, तो कर्जा देने के लिए ही खुलेंगी ।

प्रधान मंत्री : पहले ब्रांचें खुल तो लें ।

PROF. NARAIN CHAND PARASHAR: The number of branches opened in 1970 in my State, Himachal Pradesh, was 19. In the year 1971, it was 14. There are a large number of places where the proposals are still pending. May I know from the Minister of Finance whether this year the deficiency would be redressed and a large number of branches where the proposals are being considered will be opened?

(**SHRI YESHWANTRAO CHAVAN:**) It is a suggestion for action. I will look into it.

Taxation of Agriculture Sector

*268. **SHRI S. M. BANERJEE:** Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has suggested to the various States larger direct taxation on the agriculture sector to bridge the gap of Rs. 168 crores in the Fourth Plan;

(b) if so, the reaction of State Government thereto; and

(c) whether any directive has been issued by the Centre to this effect?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN): (a) No communication of such a nature has been sent by the Reserve Bank of India to the State Governments.

(b) Does not arise.