

**SHRIMATI RENUKA DEVI BARKATAKI:** The minister is putting the responsibility on local leadership. Unless we get help and encouragement from the government, what can local leadership do? The minister is also in charge of cooperation. He knows that this is a cottage industry. Will he take steps to see that this industry develops in the cooperative sector? Will he also take action to see that the exports from this area are done in the manner in which exports from Moradabad are taking place?

**SHRI MOHAN DHARIA:** I have already said that and this North-Eastern Handicrafts and Handloom Development Corporation in Shillong was just registered on the 31st March 1977. Naturally it is the only one institution and I shall take care that this institution gives all possible cooperation in developing this industry.

**Survey of Credit Gaps in Districts by Reserve Bank of India**

\*588. **SHRI P. RAJAGOPAL NAIDU:** Will the Minister of FIN-

**ANCE AND REVENUE AND BANKING** be pleased to state:

(a) whether the Reserve Bank of India is surveying credit gap in some districts;

b) if so, the names of districts; and

(c) whether the Reserve Bank proposes to give loans direct to the cooperative credit societies?

**THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL):** (a) to (c). A statement is laid on the Table of the House.

(a) Yes, Sir. The Reserve Bank is assessing the likely credit demand in the next two years (1977-78 and 1978-79) mainly for agricultural and allied purposes in 41 districts under their Intensive Agricultural Credit Development Scheme.

(b) The names of the districts elected under the Intensive Agricultural Credit Development Scheme are as follows:—

State	District
1. Gujrat . . . . .	1. Bhavnagar 2. Mehsa a
2. Madhya Pradesh	1. Jhabua 2. Satna 3. Raipur 4. Narsinghpur
3. Maharashtra	1. Dhulia 2. Aurang bad 3. Shol: pur
4. Karnataka . . . . .	1. Chitradung: 2. Shimoga
5. Andhra Pradesh	1. Karimnagar 2. Chittoor 3. Prakasam
6. Kerala . . . . .	1. Trichur 2. Quilon
7. Tamil Nadu	1. South Arcot 2. Madurai
8. Rajasthan . . . . .	1. Banswara 2. Udaipur 3. Ganganagar
9. Punjab . . . . .	1. Faridkot 2. Rupar
10. Uttar Pradesh . . . . .	1. Rai Berali 2. Jaunpur 3. Basti 4. Meerut 5. Nainita 6. Banda 7. Dehra Dun
11. Haryana . . . . .	1. Hissar 2. Rohtak
12. West Bental . . . . .	1. Nad'a 2. West Dinapur
13. Meghalaya . . . . .	aro Hills

State	District
14. Orissa	1. Balasore 2. Kalahandi
15. Bihar	1. Purnea 2. Ranchi-3. Kunti 3. Sasaram-Bhabua
16. Assam	1. Nowgong

(c) No, Sir. The loans will continue to be routed through the federal co-operative structure as at present.

**SHRI P. RAJAGOPAL NAIDU:** I want to know whether the survey is completed and for the next two years what is the credit gap.

**SHRI H. M. PATEL:** This survey is completed in 40 out of 41 districts, but one cannot quantify the credit demands because the survey is in terms of working out various programmes etc. that would be started in each particular district with reference to the conditions in that district. The survey has brought out the various spheres in which credit needs exist and how they are to be met. And thereafter, they make arrangements for them.

**SHRI P. RAJAGOPAL NAIDU:** I want to know whether the survey in Andhra Pradesh is completed and whether this survey includes credit for sheep-rearing and other things allied with agriculture.

**SHRI H. M. PATEL:** The survey in Andhra Pradesh is completed.

**SHRI P. RAJAGOPAL NAIDU:** But I ask whether the credit supply with regard to sheep-rearing and other things allied with agriculture is included in the survey.

**SHRI H. M. PATEL:** Agriculture, of course, is the basic thing. The data includes particulars relating to the area under various crops, scales of finance that may be needed, small marginal farmers, rural artisans, landless labourers, small and cottage industries and so on. I am not in a

position to give you the details of what kinds of credit requirements for Andhra Pradesh have been formalised.

**SHRI ANANT DAVE:** I want to know from the hon. Minister that to cover some particular district under the intensive agricultural credit development schemes, whether any norms or criteria have been fixed by the Government.

**SHRI H. M. PATEL:** I can tell you that the districts that are covered are in different States:

**SHRI ANANT DAVE:** But my question is whether any criteria have been fixed by the Government under the intensive agricultural credit development scheme.

**SHRI H. M. PATEL:** This question relates to a different scheme, viz., intensive area development scheme. That is a different scheme. What you have asked me just now for is about credit survey being made by Reserve Bank to find out what credit gap exists in different districts and it is with reference to that, this question....

**SHRI CHITTA BASU:** Sir, from the statement it appears that certain districts numbering two or three have been selected for each State of the country. May I know from the hon. Minister what is the actual criteria in the matter of selecting those two or three particular districts and not others. What is the criteria for selecting those two or three districts in each State?

**SHRI H. M. PATEL:** The intensive development for agricultural credit scheme was initiated in Decem-

ber 1976. As far as I can see, I am not in a position to give you the criteria for adopting these districts, but let me tell you that under the intensive area development scheme certain districts are selected from each State and none of those districts have been selected for this purpose.

**SHRI YESHWANTRAO CHAVAN:** Mr. Speaker, Sir, I am taking the point further. The question and the answers do not give us much light as such. When anybody, particularly government or Reserve Bank undertakes a survey, there must be a purpose for it. What was the purpose of undertaking that survey? Unless you are clear in your mind, you do not have any criteria for this purpose. The main point is about finding out the standards or the facilities available in the districts here the banks can be more effective; because the major problem was that after nationalization, we have not been effectively going to the rural areas, and into the agricultural sector, as effectively as we should. This was the problem. What was the purpose of this survey, what were the criteria on which the districts were surveyed and what exactly are the conclusions to which these surveys have led us to?

**SHRI H. M. PATEL:** The hon. Leader of the Opposition would know, of course, that this scheme was started earlier; a decision to initiate or to pinpoint the credit gaps in different districts was a decision taken in the earlier stages, when the Reserve Bank was asked to carry out this survey. The object of this clearly is to initiate positive measures for identifying the gaps between the performance and the achievements of the cooperative so far, and to launch an action programme to ensure balanced development in different regions and to strengthen cooperative credit institutions. And, therefore, this survey will find out what are the credit requirements of each district, what credit societies exist, to what extent they can meet these require-

ments and what is needed to be done additionally, in order to meet the complete requirements of each district.

**SHRI MOHD. SHAFI QURESHI:** From the statement of the Minister, it appears that almost all the States, excepting the State of Jammu and Kashmir, have been included in this survey. May I know from the hon. Minister the reasons why this State has not been included in this scheme? Will he consider the inclusion of Jammu & Kashmir State in the Scheme now?

**SHRI H. M. PATEL:** I am sorry I am not in a position to say why J&K is not included in this. I will find out why it has not been included. (Interruptions) and I will have no objection to including it, provided it can be fitted into the scheme. (Interruptions). It was started during the days of the previous government. I did not exclude J&K. I must find out why that government excluded J&K. I am saying, on the country that I shall be glad to include it, after looking into it.

**SHRI A. BALA PAJANOR:** The previous government excluded Pondicherry also. You must also include Pondicherry. I hope you will do it for us.

**SHRI H. M. PATEL:** We will include it.

**SHRI P. K. KODIYAN:** From the reply given by the hon. Minister to this question and from the statement, it is seen that these surveys have just been completed in 41 districts. That is my impression. If that is so, how will the purpose of the survey be served? In the statement, it is said that the survey is to find out the credit requirements of the districts for the years 1977-78 and 1978-79. We have just crossed half of the year 1977. What is the purpose; and how will it be served? When was the Reserve Bank's survey begun, and when was it completed? What were

the specific recommendations and suggestions made by the Reserve Bank in respect of the credit requirements, or credit gap of districts where the survey has been completed?

SHRI H. M. PATEL: It is true that this survey was undertaken with a view to find out the credit requirements for the year 1977-78 and 1978-79 in the 16 States. The work has now been completed. But it has to be analysed and the credit gap soon worked out for 1977-78. It is true that half the year will have gone, but it cannot be helped, because the work was only recently completed.

श्री श्रीम प्रकाश त्यागी : क्या मंत्र महोदय को जान है कि रिजर्व बैंक में पहले स्टेट को-ऑपरेटिव बैंक को लोन दिया जाता है और वहां से वह डिस्ट्रिक्ट को-ऑपरेटिव बैंक को जाना है और उस के बाद वहां से काश्तकार के पास पहुंचना है। इस प्रकार से क्या यह सही है कि हर एक बैंक अपना इंटरैस्ट जोड़ता चला जाता है और काश्तकार पर वह इंटरैस्ट जा कर बहुत अधिक पड़ता है? यदि हां तो क्या काश्तकार के हितों की रक्षा करने के लिये क्या आप काश्तकार को डायरेक्ट लोन दिलाने की चेष्टा करेंगे ताकि उस को कम से कम रेट पर लोन मिल सके।

SHRI H. M. PATEL: The hon. Member has raised a correct question. We are endeavouring to reduce the number of intermediaries. In fact, the Reserve Bank gives it finances direct to the district co-operative banks and, wherever necessary, also to the State Co-operative Banks where the district co-operative banks do not exist.

SHRI SHYAMNANDAN MISHRA: Has the survey also sought to make the much-needed distinction between the credit requirements for production and the credit requirements for consumption?

SHRI H. M. PATEL: Yes, Sir. I think both the sectors are being surveyed in this.

SHRI SAMAR GUHA: The first answer of the hon. Minister to my question appears to be rather silly, if not ridiculous, because the gap is not only between these 348 districts. There is credit gap everywhere, all over India. In reply to my question, the hon. Minister said that the money deposited with the rural banks all over India, more than half the money, is being taken away by the urban areas for development of industries and some credit or loans to the traders and big businessmen. In view of that fact, I want to know whether the whole policy of giving credit to the rural people by the nationalised banks in the rural areas will be looked into, reviewed and seen that at least all the money deposited with the rural banks in the rural areas are given as credit to the rural people. Secondly, I want to know about the differential rate of interest that was introduced by the earlier Government for the benefit of the rural people, to what extent it has achieved its objective.

SHRI H. M. PATEL: The hon. Member has gone away from the question that has been put. But I am prepared to tell him this, that though it will not be correct for me to give the assurance that whatever money is deposited by the branches of the banks in the rural areas will always be used there. I can give him the assurance that the credit requirements of the rural areas will be fully met. That is why this assessment and survey. Wherever the differential rates are permissible, they are continuing.

#### Return of Soiled Notes to the Reserve Banking

\*590. SHRI RASHID MASOOD: Will the Minister of FINANCE AND REVENUE AND BANKING be pleased to state: