

tural sector, we find that the results are totally disappointing because of the simple fact that 60 per cent or more of them are living below poverty line; they have no lands, they have nothing to mortgage they cannot give any guarantee or security. These 60 or 70 per cent of the people living in the countryside, living in the villages the agricultural labour and the poor peasantry do not get any loans or assistance from the cooperative societies. Nobody knows where actually these monies are going. Some monies are definitely being misappropriated. Some money may be returned to the State exchequer or Central exchequer, we do not know; but they do not trickle down to the villagers. We find that in my constituency, in the Cachar district, which is economically and industrially backward as a matter of fact in the whole State, the poverty-stricken farmers and agricultural labourers, the poor peasantry, are still in the same state of economy in which they were ten or 20 years ago.

Therefore, I would like to state that we have got great reservations as far as these amendments are concerned.

As far as these amendments are concerned which run into 9 or 10 pages, they have no redeeming features and the implementing machinery is not at all being geared up so that the poor and the middle-class people can benefit and get assistance of the Reserve Bank and other banking institutions.

With these words I want to generally support these amendments but with the reservations I have mentioned.

SHRI C. K. CHANDRAPAN (Telli-cherry): The objects of the Bill are laudable. We have no quarrel with the Government on the amendments. But, as it was stated, the main problem is: what is the guarantee that these laudable principles the Government is enunciating will be implemented. So far as the experience goes, what has been proved all these years is so dis-

appointing an experience that the Reserve Bank has failed in performing the duties which it is supposed to discharge.

As was stated, it is the bankers' bank and it is supposed to stabilise the money and, particularly in a situation when we are facing serious inflations. What is the performance of the Reserve Bank? It is not at all giving us any confidence that the same machinery of the Reserve Bank will be able to implement the noble objects which are set in the Bill. To ensure that the Reserve Bank will implement this Bill, I feel there should be a restructuring of the Reserve Bank itself. In the course of the discussion in this House on the Banking Commission's report, this was brought to the notice of the Government and, unfortunately, they did not reply at that time. So, I would like the hon. Minister while replying to this debate, to say what she thinks about the restructuring of the Reserve Bank. My that what we mean is that the present Board of Directors of the Reserve Bank should be re-constituted and at all levels in the Reserve Bank, the workers should have a say. Then, that will be perhaps a guarantee that the principles enunciated by the Government in this Bill will be implemented because it was the experience of the Government itself.

I am sorry the Minister is not listening. What is the use of my saying?

SHRIMATI SUSHILA ROHATGI: I am listening.

SHRI PILOO MODY (Godhra): In an one-party government, it does not matter.

SHRI C. K. CHANDRAPAN: The point is that the representatives of workers in the nationalised banks contributed greatly to implement the new credit policy. That the Government itself has admitted in the course of several debates in the House and we want the Government to reconstitute the Board of Directors of the Reserve Bank so that the workers will have a say and the representatives of the

[Shri C. K. Chandrappan]
employees will have a say regarding the implementation of what the Government say in the Bill. That should not be confined merely to the Board of Directors. They should be given representation at all decision-making levels in the Reserve Bank.

Secondly the Government say that this amendment is meant to extend more credit facilities to the agrarian sector and also to the co-operative sector.

It is a very noble thing, there is no doubt about it. When they nationalised banks in 1969 Government said that the nationalisation of the banks was meant for delinking the financial institutions of this country from the grip of the monopoly houses. Today I am quite sure the Government will not be able to say with confidence that they have succeed in that objective. The figures which are available about performances of the Reserve Bank of India and the Commercial Banks also in respect of the credit policy are I should say, most alarming. This is particularly so when the Government and the nation is facing such a serious inflation as we have today. The Government said that money supply should be restricted. They brought forward the credit squeeze policy. It was to curb the inflationary trends in our economy. But what happened? I will give some figures. In 1972 the credit given to the commercial and scheduled banks was Rs. 6564 crores. It was 25 per cent more than what was the previous year's figure. That is to say after introducing the credit squeeze, 25 per cent more credit was taken away by business houses mainly. In 1974, take the figures for the 2 months that are available, January and February; you will find there is an increase of 50 per cent when you compare this with the previous year. This is the position. In 1972 it was Rs. 500 crores and in 1974, January-February, it became Rs. 460 crores. It has mostly gone to big business houses. It has not gone to the agrarian sector or to the neglected sector.

When we debated the Banking Commission's report in the House the facts were placed before the Government. The large chunk of credit which was given by nationalised banks and other banks has gone to the big people. This is my submission. It has not gone to the cooperative sector or to the common man, ordinary man, the sharecroppers, the landless people and the ordinary workers, the technically qualified people who do not have any immovable property and all that. They do not get credit so easily from these banks. That is the sort of credit policy which you follow even after the nationalisation and that is the credit policy which is being pursued by the R.B.I without any hesitation, whatever be the policy statement made in the House. This is the present position.

So, what I submit is that the R.B.I should be made accountable to Parliament. Whatever may be the performance of the Reserve Bank, today the condition is that they can go on doing whatever they like without answering Parliament. They may be answering to their Ministry, but not to the Parliament.

The Bill should have been more comprehensive that it should deal with these aspects of the Reserve Bank including its accountability to Parliament and the re-structuring of the present board of directors and all that.

As things stand to-day, just now, my friend spoke about the fate of coir industry in Kerala. According to the Reserve Bank of India Act, in clause 17(2)(b) there is a provision for giving certain concessional finances to small-scale industries and cottage industries. It was included with a view to help the traditional industries to develop. This kind of finance was available to the handloom sector. And later, the Government included 22 more industries but the coir industry was not included. By concluding the debate on this Bill in the Rajya Sabha, at that time, the hon. Minister Shri K. R. Ganesh gave an assurance to Rajya-

Sabha that he would look into this matter and see that coir industry was included in the list of those industries which would get the concessional finances from the banks. I would like to ask the Minister now whether that promise which was made in February, has been fulfilled or not till now. We are at the end of this year. I want to know the reason for not fulfilling that promise. Why I insist that this promise should be fulfilled is that there is a scheme submitted by the Kerala Government to the Centre Rs 15 crore will be necessary for the implementation of that scheme. There will be various cooperative societies in the field which will be financially viable. This industry will come mainly in the cooperative sector. But, the Reserve Bank is denying finances to the cooperative sectors on the basis that these cooperative societies which are not financially viable. I would therefore request the Minister to give an assurance in this House whether the Government will do something about the coir industry.

These are the few observations which I would like to make while participating in this debate.

SHRI JYOTIRMOY BOSU (DIAMOND HARBOUR) Sir, I want to seek a clarification. This morning I had tabled a privilege motion. There is a documentary evidence. This morning the Speaker deferred further debate on that because the Minister of Home Affairs will make a statement at 5 O' clock. I hope he will make a statement now. I have to catch the train to go to Patna with a Parliamentary Delegation.

It is *suo motu* fixed at 5-30 to suit the Minister.

MR DEPUTY-SPEAKER I do not accept that.

I have already made an announcement because this information was passed and I passed that on to the House. Might be that he is not yet ready with his statement. After all,

half-an-hour does not make a difference. Leave that to me. When we are in the business, let us not bring other factors. As far as I am concerned, I am concerned with the business of the House and I think a margin of half an hour is very legitimate. The Minister is not ready.

SHRI JYOTIRMOY BOSU. May I make a submission?

17 00 hrs

श्री ज्योतिष्ये (नाग) उपायक
महादय मरा प्यारुट् आफ्, आडर है। आर
का मानुम हागा कि पिछले मत्र की 4 नारीय
को इम मदन का स्पट् आशवासन दिया गया
था कि हम नागा को विश्वास में लिया जायगा।
ता इनका बयान तो कल आना चाहिए था।
कल नहीं आया और उन्होंने क्षमा याचना
भी नहीं की। ये लोग इतने बेशर्म और
बेडया हो गये हैं कि क्षमा भी नहीं मागते हैं।
(बयबयान)—— आज सवेरे हम लोगों ने
यह मवाल नहीं उठाया होता तो यह बयान
भी ये नहीं देते। पाच बजे का जो इनका
वायदा है उसको पूरा करने में इनको क्या
दिककत है ?

MR DEPUTY-SPEAKER We are now concerned with a very limited question. Instead of making the statement at 5 P.M., as the Home Minister had said in the House earlier, he had given the information to me, which I passed on to the House earlier, that he would not be ready at 5 P.M. but would make the statement by 5.30 P.M. We are concerned only with that. Other things will come when the statement comes.

Shri. Nathu Ram Mirdha

SHRI JYOTIRMOY BOSU I want to make a submission. In the morning the Home Minister mentioned that he has already written to the Speaker.

MR DEPUTY-SPEAKER That he would come at 5.30