

RAJYA SABHA

*Tuesday, the 28th August, 1973 the 6th
Bhadra, 1895 (Saka)*

The House met at eleven of the clock, MR.
CHAIRMAN in the Chair.

ORAL ANSWERS TO QUESTIONS

*680. [The questioner (Shri M. K. Mohta)
was absent. For answer, vide col. 34 infra.]

*681. [Transferred to the 21th August,
1973]

*682. [The questioners (Sarvashri Sunder
Mani Patel, K. C. Panda and Debananda
Amat were absent. For answer, vide col. 34
infra.]

Assistance given by nationalised banks to educated unemployed

*683. SHRI MOHAMMAD USMAN
ARIF: Will the Minister of FINANCE be
pleased to state the number of educated
unemployed (Statewise) who were given
financial help from the nationalised banks for
starting industries during the last year?

THE MINISTER OF STATE IN THE
MINISTRY OF FINANCE (SHRI K. R.
GANESH): A statement is laid on the Table
of the House.

STATEMENT

Banks do not maintain regular data on the
assistance given to "educated unemployed" as
such persons can seek employment
opportunities in all the fields to which the
banks are now extending credit. The following
is the information specially collected by the
Reserve Bank from the nationalised banks
(except Allahabad Bank, Punjab National
Bank, Dena Bank and Union Bank of India).

1—10 RSS & ND73

Name of the State/Union Territory	No. of educated unemployed who were given finan- cial help in start- ing industries during the year 1972 (Calendar year)
Andhra Pradesh	549
Assam	65
Bihar	220
Gujarat	372
Haryana	36
Himachal Pradesh	9
Jammu & Kashmir	54
Kerala	1387
Madhya Pradesh	193
Maharashtra	1048
Meghalaya	14
Mysore	2792
Orissa	323
Punjab	126
Rajasthan	320
Tamil Nadu	1777
Tripura	3
Uttar Pradesh	983
West Bengal	906
Chandigarh	7
Delhi (including New Delhi)	97
Goa, Daman & Diu	134
Pondicherry	3

Statewise information on the basis of
complete data from all the fourteen na-
tionalised banks will, to the extent available,
be collected and laid on the Table of the
House.

SHRI MOHAMMAD USMAN ARIF: it is
said in the statement that Statewise in-
formation on the basis of complete data from all
the fourteen nationalised banks will, to the
extent available, be collected and laid on the
Table of the House. Up to what time would
it be available?

SHRI Y. B. CHAVAN: Well, I hope it
would be some time in the next session.

SHRI MOHAMMAD USMAN ARIF:
Loans given to students in different States
have been enumerated. But I want to know
whether loans were given to individuals
or they got it on cooperative basis.

SHRI Y. B. CHAVAN: Loans were given by commercial banks. They are given on their own terms.

MR. CHAIRMAN: Mr. Kulkarni.

SHRI A. G. KULKARNI: Sir, although it is stated that data is being compiled, a fair data has already been given here. I think only in respect of big banks like the Allahabad Bank, Punjab National Bank, Dena Bank and Union Bank of India, information is under collection. But from the information which is given here, if you total up, you will find that about 11,408 educated unemployed persons got some financial assistance from the nationalised banks. I want to know particularly from the Minister whether, looking to the number of the educated unemployed, for whose social uplift and creation of employment opportunities banks were nationalised and granting that information in respect of three banks is not available, he is satisfied. Is he satisfied even if we take the number as 22,000 looking to the staggering number of educated unemployed, who are desirous of having self-employment? I think, Sir, our experience shows that procedural difficulties still exist, particularly, Sir, the difficulties as regards margin, their attitude of banking, etc. I want to know whether a thorough, overall study will be made and liberal facilities will be created whereby the generation of self-employment will be accelerated.

SHRI Y. B. CHAVAN: May I explain, Sir, that the breaking up of the figures and the information in these categories becomes rather difficult? Now if the hon. Member sees, the question is about giving financial help from nationalised banks for starting industries during the last year. I would like to point out, Sir, that a question was asked on the 27th April, 1973, and we had given information. We have got a certain category of professionals and self-employed. I think this category includes all the educated unemployed. The information given at that time was that as in 1972, the number in this particular category was 54,436 and the amount of loan outstanding was about Rs. 1181 lakhs. So, if you take this figure into consideration, then we can say that they have made some efforts. If you take the present figures which are for a particular matter then it is different.

SHRI K. CHANDRASEKHARAN: Looking at these figures one cannot but make the criticism that one of the social and economic purposes of bank nationalisation has by and large totally failed. May I know from the hon. Minister what is the total amount covered by these figures that have been supplied and in what way do they bear proportion to the total amount advanced by the nationalised banks?

SHRI Y. B. CHAVAN: I do not think I have got a percentage worked out. I can only say that it is certainly very negligible.

SHRI NABIN CHANDRA BURAGOHAIN : In Assam, it is seen from this statement, 65 unemployed educated youth were given financial assistance by the nationalised banks. Due to slow progress of industrial growth in Assam, unemployment problem there is very critical. May I ask the hon. Minister whether he could devise ways so that unemployed youths in backward States can get finances from these banks very easily?

SHRI Y. B. CHAVAN: As far as schemes are concerned, I would like to mention that about three years ago, sometime in 1970, we had asked a Committee to go into this special question of self-employed persons and that Committee had made some recommendations. This report is known as Thacker Committee report. That committee had given many ideas on the basis of which different banks have prepared certain schemes. I hope these schemes are in a position to get implemented. That is the main point. Schemes have been there.

SHRI BHUPESH GUPTA: According to the statement...

(Interruption)

MR. CHAIRMAN: I called Shri Bhu-pesh Gupta. You are not Bhupesh Gupta. Why are you shouting?

SHRI BHUPESH GUPTA: You did not like my way of putting it?

MR. CHAIRMAN: No. Shri Kalyan Roy interrupted and I was addressing him.

SHRI BHUPESH GUPTA: All right. According to the statement, it appears that the Government does not even give the necessary information- They say that the information will be collected from the 14 banks. Take the case of West Bengal. Only 906 educated unemployed persons have been given any assistance from these banks. May I know on what basis the selection is made and the applications are sanctioned and whether the Government have any machinery to find out as to the requirements of various categories of unemployed people and also the possibility of their starting industries with the assistance of these banks? Is there any machinery to check up how these things are progressing? Mere advancing money is not enough.

SHRI Y. B. CHAVAN: There is a machinery in certain selective branches. It depends upon the possibility of developing any industry. In connection with this specific scheme that the Government of India have undertaken to provide certain jobs to educated unemployed people, the banks have been asked to take their own share without merely depending upon the Government grant or subsidy. They should also involve themselves. The banking system as such should get involved in it.

SHRI BHUPESH GUPTA: On what basis you give it?

SHRI KRISHAN KANT: May I know from the hon. Minister what is the total amount given up till now? Have you taken a decision as part of the overall policy that so much amount will be given for starting industries by the educated unemployed? Among educated unemployed there are arts, graduates, there are engineers, technologists and B. Com people and auditors. How do you decide that a particular man is capable of starting an industry? Have you got any guidelines? There are a number of arts graduates who cannot start industries. . . .

MR. CHAIRMAN: Your question is very clear to the Minister.

SHRI KRISHAN KANT: No, Sir. The money may be taken in the name of an

Arts graduate and used by others, as was indicated in the Bihar Assembly Estimate Committee's report. They utilise the name of educated unemployed people and misuse the money. May I know what are you doing so that these things do not happen?

SHRI Y. B. CHAVAN: When any proposition is placed before a bank, naturally that bank will try to link up the qualifications of proposer and his capacity to implement the programme. If an Arts graduate says that he wants to start a mechanical industry, no banker can accept that position. These are elementary things.

SHRI KRISHAN KANT: I had also asked about the total amount given up till now by the nationalised banks and whether they have earmarked a sum that will be given.

SHRI Y. B. CHAVAN: I would say that there is no ceiling in the case of educated unemployed which are a part of the priority sector. I don't have figures about the total amount given.

SHRI KALYAN ROY: A survey has been published which shows that there are 97,000 educated unemployed in West Bengal followed by 61,000 in Bihar and 48,000 in Maharashtra. With these staggering figures, how does the Minister explain the policy which is being pursued even by the big banks like the United Commercial Bank which refused to give any loan to the educated unemployed? While they have mopped up 24 crores of rupees as deposits from the rural areas, they have advanced only 4 crores of rupees and out of that 70 lakhs of rupees have been given to the agriculturists and 2 crores of rupees have been given to the monopolists.

MR. CHAIRMAN: Kindly put your question.

SHRI KALYAN ROY: When the banks are following a persistent policy to finance the big business, how does the Minister propose to change this policy in order to help a little bit these educated unemployed persons whose number is rising especially in the eastern States?

SHRI Y. B. CHAVAN: I think the hon. Member is right in this particular matter. Loans advanced to this priority sector in West Bengal are not to my satisfaction at least. Therefore, as I said, we are going to undertake this new scheme. We are trying to involve the banks in it. We have prepared some schemes on the basis of the recommendations of the Thakkar Committee and the banks have been asked to implement them. We are pursuing this thing.

SHRI KALYAN ROY: There is a very clear allegation that the banks are not giving any help.

MR. CHAIRMAN: He has answered this question. Next question.

SHRI N. G. GORAY: I wanted to put a supplementary on this question.

MR. CHAIRMAN: Probably you raised your hand rather late. I never miss you, but this time I had to.

*684. [The questioner (Shri O. P. Tyagi) was absent. For answer, vide col. 35. infra]

Linking of SDRs and Development Finance

*685. SHRI DEBANANDA AMAT: SHRI LOKANATH MISRA: t

Will the Minister of FINANCE be pleased to state:

(a) whether the Government of India have been urging the International Monetary Fund Group of 20s for linking the Special Drawing Rights and Development Finance in all the international forums; and

(b) if so, the outcome of Government's efforts in this regard?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN): (a) Yes, Sir. In all the

fThe question was actually asked on the floor of the House by Shri Lokanath Misra.

international forums as also in the current monetary reform discussions in the Committee of 20 and their Deputies, India has been urging that a link between Special Drawing Rights and Development Finance should form an essential element of International Monetary Reform.

(b) The link has gained wide intellectual acceptance and has received unanimous support of all the developing countries and a majority of the developed countries. Though the principal of the link has not yet been endorsed by the Committee of 20, a certain measure of flexibility is discernible in the attitude of even those of the developed countries who were traditionally hostile to it. India would strive to maintain the unity of the developing countries on this question and would vigorously pursue efforts to secure acceptance of the link.

SHRI LOKANATH MISRA: May I know which are the particular countries of the International Monetary Fund which have reservations in accepting the India's suggestion that the aid and the special drawing rights should be tagged together? Will the Minister kindly tell us?

SHRI Y. B. CHAVAN: I do not think I should publicly go on identifying those countries, because we are making efforts to persuade them. So, I think, Sir, it would not be right for me to mention any particular country in this connection.

SHRI LOKANATH MISRA: May I know, Sir, whether the hon. Finance Minister is going to attend the International Monetary Fund's meeting at Nairobi and whether he would attend it or any other representative would attend and what would our attitude be there in the IMF regarding this suggestion which we have been pursuing all the time?

SHRI Y. B. CHAVAN: We shall further pursue this matter, and the main effort would be to keep the developing countries united on this matter. It sometimes happens in an international forum that the developing countries are divided among themselves. That is why, I would