

not in a position to get admission into the camp because there were no facilities in the camps in West Bengal, Assam and Tripura. Therefore, the number has been less. All these points are to be clarified if the Government wants to satisfy the House.

**SHRI D. SANJIVAYYA :** A statement has been laid on the Table of the House, but unfortunately my hon. friend has not seen the last paragraph of it. As on 4-4-1970 10,283 families, comprising 42,845 persons consisting of agriculturist, non-agriculturist and permanent liability category families, were residing in camps and awaiting rehabilitation. Therefore, it takes a little time. Then with regard to the remaining migrants, to whom the hon. Member has made a reference, I would like to state the position very clearly. The moment refugees come from East Pakistan, the West Bengal Government is authorised to scrutinise them and tell us how many of them are eligible for rehabilitation. On the certificate of the West Bengal Government we take them and then provide rehabilitation facilities, but now-a-days most of the refugees are coming without any valid documents. Therefore, it has become very difficult for the West Bengal Government and they have said that whoever is coming must be provided with rehabilitation facilities. We have accepted it.

**SHRI SUNDAR SINGH BHANDARI :** How can they have any valid documents ?

**SHRI D. SANJIVAYYA :** That is why we have accepted their recommendation to the effect that whoever comes will have to be provided for.

**SHRI CHITTA BASU :** He has not made the point very clear. I asked what the Government propose to do with the remaining three lakhs.

**SHRI D. SANJIVAYYA :** Whatever be the number who are remaining or who are just coming, unless the Government of West Bengal recommends to us we cannot do anything.

**SHRI GODEY MURAHARI :** I would like to know the reasons for the recent increase in the influx of refugees from East Pakistan and whether it has anything to do with the warlike preparations that are reported from the

eastern front. Also, I would like to know whether the Government of India has made any representation to the Government of Pakistan to bear a part of the cost of rehabilitation of these people, because for no fault of ours there has been an increase recently in the influx of refugees. I would like to know whether the Government has talked to the Government of Pakistan in this connection.

**SHRI D. SANJIVAYYA :** This questions should be addressed to my colleague the Minister of External Affairs. Only yesterday, I think, he made it very clear as to the reasons why the minorities are being pushed out. Mostly it is due to insecurity, economic depression and also the political situation.

#### OVERDUES IN THE CO-OPERATIVE SECTOR

\*270. **SHRI A. G. KULKARNI :**†

**SHRI R. P. KHATTAN :**

Will the Minister of FOOD AND AGRICULTURE be pleased to state :

(a) whether any study has been made as regards the increasing overdues in the Co-operative Sector and the year-wise position of dues for the last three years ; and

(b) whether any statistical study has been made as regards how much dues are due to droughts and other natural calamities and how much percentage is due to exploitation by the vested interests.

**THE DEPUTY MINISTER IN THE MINISTRY OF FOOD, AGRICULTURE, COMMUNITY DEVELOPMENT AND CO-OPERATION (SHRI D. ERING) :** (a) and (b) The data regarding overdues at different levels of the co-operative structure are compiled both by the Reserve Bank of India and the Government of India. This is reviewed in the Annual Conference of State Ministers of Co-operation and Registrars of Co-operative Societies convened by Government of India and in annual discussions of the Reserve Bank of India with the State representatives. The All-India Rural Credit Review Committee has, in its report, mentioned that

†The question was actually asked on the floor of the House by Shri A. G. Kulkarni.

internal as well as external factors have led to the accumulation of overdues in the co-operative credit structure. No separate study has been conducted regarding the percentage of overdues attributable to droughts and natural calamities and other factors like exploitation by vested interests.

**SHRI A. G. KULKARNI** May I know whether it is a fact that in the co-operative credit structure which has been lately introduced for granting medium and long term loans, because this facility was not available to the rural agrarian population, the working capital was also utilised for the development of agriculture and whether the Government will rectify this defect and give more and more credit for long term as well as medium term purposes?

Secondly, the repaying capacity of the small farmers is also very limited and in this connection will the Government advise the Reserve Bank of India for some special consideration for the repayment of dues by the small farmers because I want to draw the attention of the Government to the criticism that it is made that these overdues are increasing? It is now increased by 52% to what it was two years back. In this connection the social aspect of the credit has also to be considered. I want to know whether the Government of India will issue a directive to the Reserve Bank of India that the repaying capacity of the small farmer is always limited to his production in the field and that aspect has also to be taken into consideration while preparing these statistics.

**SHRI ANNASAHEB SHINDE** The first point raised by the hon. Member was in regard to the requirement of long term credit. It is very true that there is some gap and the availability is not adequate. Therefore the Government of India took this position into consideration and brought into being the Agricultural Refinance Corporation. Now the Agricultural Refinance Corporation is helping the land mortgage banks to make much larger volume of credit available on a long term basis but this will require continuous attention. My Ministry and the Government of India are seized of this problem and we will look to it. Recently, a Committee also went into this problem.

In regard to the question of repayment by small farmers that also is one of the very genuine problems because the repaying capacity of the small farmer is very limited due to the small holdings. But now because of the high yielding varieties, multiple cropping and increasing irrigation facilities the small farms are becoming viable but by and large the problem persists. Therefore the Government of India has recommended to the Reserve Bank of India and the Reserve Bank of India in turn has recommended to the State Governments for setting up credit stabilisation fund so that whenever there is some natural calamity affecting repayment capacity the short term loans can be converted into medium term loans. Some provision has been made but it is not adequate and Government is engaged in finding out other remedies.

**SHRI A. G. KULKARNI** May I know from the Government whether it is not a fact that the credit distributed through the co-operative agencies has got a greater chance of meeting the demands of the agrarian people in the rural areas than a private sector bank and in this connection whether it is also a fact that the number of borrowers in the co-operative credit structure is roundabout 10 million and the loan per head is 1,000 for 70 per cent of the borrowers as against about 80 per cent of the borrowers in the commercial banks where the loan per head is one lakh and more? Will the Government take into account the special necessity of strengthening the Co-operative credit structure? Apart from whatever advantages you have by going through the Reserve Bank, particularly the time has come when the co-operative credit structure for the smaller farmers has to be strengthened, otherwise this agrarian problem will not be solved.

**SHRI ANNASAHEB SHINDE** Sir, the commercial banks have only recently entered the field of agriculture, the co-operatives have been in this field for over a number of years but even then because of the weakness of the co-operative structure they have not by and large succeeded in meeting the total requirements of credit of the farmers. Therefore the Government's approach now is a multi-pronged approach and that this should not be restricted to co-operatives alone but even commercial banks should go in a big way to help the farmers. Our advice to

the commercial banks is to see that a large number of smaller farmers are covered. But as I said they have only recently entered the field and it will take some time to cover a large number of small farmers because there are millions of small farmers in our country.

**श्री आर० पी० खेतान :** क्या मंत्री जी यह बतलाएंगे कि किन किन प्रान्तों में कितने कितने ड्यूज बाकी है और कहा कहा ज्यादा बाकी है और कहा नेचरल कैलेमिटीज है ? इन के बारे में आप के पास कोई खबर है ?

**SHRI ANNASAHEB SHINDE :** The overdue in the year 1968-69 were to the tune of 34 per cent ; they have been ranging between 29 and 34 per cent but the alarming aspect is that the overdues are increasing. That means repayment is not being made and this is because of the weakness of the co-operative structure, the inadequate repayment capacity of the small farmers, natural calamities and a number of other factors. Even the administration of the co-operative sector at the lower level is not very efficient. All these factors have been identified and necessary steps are being taken but the problem is very vast and I do not think I have a final answer to the problem but it is being attended to all right

**श्री आर० पी० खेतान :** मैंने पूछा था कि कौन कौन सी स्टेट्स में ज्यादा है ?

**एक माननीय सदस्य :** बिहार में बहुत ज्यादा है ।

**SHRI ANNASAHEB SHINDE :** Even Maharashtra.

**SHRI V. B. RAJU :** Is the hon. Minister aware that in many of these co-operative lending institutions vested interests have operated ? They have not repaid the loans thereby making these institutions ineligible to have new credit from the Reserve Bank. The new entrants to the co-operative organisation, the small farmers are unable to get credit as the hon. Minister himself has said. The commercial banks also are trying to make use of this co-operative organisation which organisation is ineligible actually to borrow. When the institution itself is ineligible to borrow because of its overdues the farmer

is deprived of the benefits of this programme. Will the hon. Minister therefore instruct the State Governments or advise the State Governments to concentrate their attention upon the realisation of the overdues so that these institutions may become eligible ?

**SHRI ANNASAHEB SHINDE :** Sir, the hon. Member referred to the dominance of vested interests in the co-operative movement. It is very much so in the State of the hon. Member and I would particularly seek his co-operation because ultimately the co-operative movement is a voluntary movement. I think he was himself in charge of the co-operatives for some time and we have no objection even if he is sent back. We have been advising the State Government that they should take necessary steps to see that the overdues are reduced so that the eligibility of credit organisations to draw loans either from the Central Bank or the Apex Bank is there. That has been our approach.

**SHRI THILLAI VILLALAN :** Sir, in our State we have started nearly 80 co-operative agricultural land development banks recently for the very purpose of giving loans to agriculturists in the State. I would like to know from the hon. Minister whether this Government has any proposal for giving special assistance to these banks and apart from the existing banks I would like to know whether this Government has taken any steps to increase the number of these banks in our State.

**SHRI SUNDAR SINGH BHANDARI :** Only in your State ?

**SHRI THILLAI VILLALAN :** Because I want information in respect of my State.

**SHRI ANNASAHEB SHINDE :** As far as the number of banks is concerned, it is the policy of the Government of India that there should be one Central co-operative Bank in each District and by and large there is all over the country one District Bank in each District but the difficulty is many of the District Banks are in arrears and their borrowing capacity because of the overdues is very limited. They are in arrears because the co-operative societies in turn are not able to recover their credit which has been given to the farmers. But the credit stabilisation fund has been provided to take care,

of this aspect. And as I said when there are different factor like natural calamities drought, etc. it is the policy that the short term loans should be converted into medium or long term loan.

**DR. BHAI MAHAVIR :** The picture the hon. Minister has painted of the co-operative sector is really something to worry about. I would like to know from him if he agrees that the co-operative sector has been more a victim of wrong type of people entering in and exploiting than having any inherent defect in itself. What I am saying is whether the Government is in agreement that wrong type of people have got in to it and that is why at the time of the last survey also quite a large number of co-operative societies were reported to be in trouble. Some of the institutions themselves were nowhere in existence. If that is a fact I would like to know that the Government has thought about remedying this aspect. The remedy does not lie in providing a new loan or a new fund or creating a new agency, the remedy lies in having proper type of persons. If the Government agrees, I would like to know what precaution is being taken. Now the nationalised banks are going to enter the field or almost entering the field of agricultural finance. Are we going to learn some lessons from our experience in the co-operative sector and how are those lessons being used for making the nationalised banks run in a better way and protect themselves from the pitfalls which the co-operative sector has suffered from?

**SHRI ANNASAHEB SHINDE :** These problems are considered from time to time in the conference of Ministers of States who are in charge of the Department of Co-operation. On the problem which the hon. Member has raised, naturally I would like to submit that co-operation is a voluntary movement and unless good people like my hon. friend come forward and help the co-operative movement to go on right lines...

**DR. BHAI MAHAVIR :** I do not want any compliment from you.

**SHRI ANNASAHEB SHINDE :** Let me complete.

**SHRI DAHYABHAI V. PATEL :** Men like Shri Kulkarni are good.

**SHRI A. G. KULKARNI :** You do not want to come in because you are a private sector man. You do not want the cooperative movement and social movements to grow in this country...

**MR. CHAIRMAN :** You please sit down. Let him go on.

**SHRI A. G. KULKARNI :** He has provoked me. They have got vested interests...

**SHRI DAHYABHAI V. PATEL :** I am here to provoke all of you and not to please you.

**SHRI ANNASAHEB SHINDE :** I would like the hon. Member to appreciate one more difficulty. Co-operation again is a State subject. State Assemblies necessarily have to see that appropriate laws which govern the co-operative sector are passed. We have from time to time suggested to the State Governments the need to make necessary amendments in their co-operative laws so that the co-operative movement is really democratic and is not dominated by vested interests and effort is made to have viable units in the villages. If these steps are taken by the State Governments, there is a possibility of the co-operative movement making some progress. But in some areas the co-operative movement is not making progress as per our expectation.

**DR. BHAI MAHAVIR :** I want your opinion directly whether too little of Government control is responsible for this or too much of Government control...

**MR. CHAIRMAN :** Your next question :

**SUGAR PRODUCTION BY A FARMER IN BIHAR**

\*271. **DR. BHAI MAHAVIR :**†

**SHRI LAL K. ADVANI :**

Will the Minister of FOOD AND AGRICULTURE be pleased to state :

(a) whether the attention of the Government of India has been drawn to the Press report appearing in the "Searchlight"

†The question was actually asked on the floor of the House by Dr. Bhai Mahavir.