

NOTIFICATIONS UNDER THE KANPUR AND MEERUT UNIVERSITIES ACT, 1965

THE MINISTER OF EDUCATION (DR. TRIGUNA SEN) : Sir, I beg to lay on the Table, under sub-section (1) of section 31st of the Kanpur and Meerut Universities Act, 1965, a copy each of the following Notifications (in English and Hindi), issued by the Government of Uttar Pradesh :—

(i) Notification No. CI(R)-4699/XV-39(9)-1966, dated the 28th September, 1968, publishing the First Statutes of Kanpur University.

(ii) Notification No. CI (R)-7578/ XV-39(9)-1966, dated the 28th September, 1968, publishing the First Statutes of Meerut University. [Placed in Library See No. LT-2499/68 for (i) and (ii)]

MINISTRY OF HOME AFFAIRS NOTIFICATIONS

THE DEPUTY MINISTER IN THE MINISTRY OF HOME AFFAIRS (SHRI K. S. RAMASWAMY) : Sir I beg to lay on the Table a copy each of the following Notifications of the Ministry of Home Affairs:

(i) Two Notifications (G.S.R. Nos. 2029 and 2030), dated the 12th November, 1968 (in English and Hindi), publishing the Citizenship (Amendment) Rules, 1968, under sub-sections (4) of section 18 of the Citizenship Act, 1955. [Placed in Library See Nos. LT-2503/68 and LT-2504/68]

(ii) Notification G. S. R. No. 2031, dated the 14th November, 1968 (in English) publishing the Indian Forest Service (Released Emergency Commissioned and Short Service Commissioned Officers) (Appointment by Competitive Examination) Amendment Regulations, 1968, under sub-section (2) of section 3 of the All India Services Act, 1951. [Placed in Library See No. LT-2505/68]

REFERENCE TO TEACHERS' STRIKE IN U. P.

श्री राजनारायण (उत्तर प्रदेश) : शिक्षा मंत्री से ब्यान तो करवा दें। एक हजार से ज्यादा अध्यापक गिरफ्तार किए जा चुके हैं।

MR. CHAIRMAN : No more.

[THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) in the Chair]

श्री राजनारायण : श्रीमान उत्तर प्रदेश में एक हजार से ज्यादा अध्यापक गिरफ्तार हो चुके हैं। इस पर ब्यान तो करवाइये। शिक्षा मंत्री जी बेचारे बैठे थे।

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : The Chairman has announced that the Banking Laws (Amendment) Bill would be taken up. All other matters are over. Mr. Lakshmana Gowda.

THE BANKING LAWS (AMENDMENT) BILL, 1968—Continued

SHRI U. K. LAKSHMANA GOWDA (Mysore) : Mr. Vice-Chairman, Sir, I would like to make some brief comments on the Banking Laws (Amendment) Bill which is before this House.

Sir, the genesis of this Bill has been as a result of a fairly widespread concern over the attitude and functioning of some of the banks in the country, particularly during the post-war period. It was felt that there was considerable interlocking of business houses and the banking industry which resulted in proper credit facilities not being available to the required sectors, agriculture, small-scale industry and others. As a result, there was a demand for nationalisation of this industry which was a matter of discussion in the Congress Working Committee and the A.I.C.C. and the proposal for socialisation of the banking industry in this country was subsequently taken up. I really cannot understand, Sir, to what extent this Bill will help us to derive the objectives which are enshrined in it.

Sir, it was a fact that a few business houses, interlocking with the banking industry in the country, were able to utilise the vast sums which were available in the form of bank deposits for purposes of speculative businesses like investments in foodgrains stocking and cornering of shares and many other evils which were of grave concern to us. To that extent, Sir, as a measure to relieve those difficulties and to provide a proper orientation of the banking policy in regard to the credit facilities to be made available to agriculture and the small-scale industry, I would like to welcome

[Shri Lakshmana Gowda]

some of the provisions here. One of them is the change in the set-up of the board of directors which has been proposed under section 10A and another is the appointment of a permanent chairman under section 10B. The widespread view that the board of directors was such and the Chairman was such that they would not be able to reorient the policy towards the national and social objectives has been looked into. I hope that these provisions will serve the purpose for which they have been put in.

At the same time, Sir, the clause which relates to the control by the Reserve Bank gives more or less a sort of arbitrary power over the displacement and dismissal of the Chairman without assigning any reasons. This, I think, is serious and it might lead to some unnecessary action being taken up by the bureaucracy. As for the clause which relates to prohibiting the board of directors and the Chairman from involving themselves in, or having connections with, other interests in business which might in a way influence the flow of credit facilities only in a particular channel, it is a welcome one. Sir, the demand was for nationalisation and this Bill has been a compromise. I do not mean to say that nationalisation would have solved all the problems. It is not a panacea for all the ills. In practice, it is found that the private banks are actually providing better service than the present nationalised banks. Notwithstanding all that, some of the provisions in the Bill and the provision laying down the banking policy by the Reserve Bank are welcome and I hope they will result in reorienting the credit policy to provide the necessary credit facilities for agriculture and the small-scale sector. Sir, even as things stood, the difficulty with regard to the reorientation of credit facilities to the agricultural sector was in the policy of the Reserve Bank itself since the creditworthiness of the borrower was the main point in it. Unless there is a fundamental change in that concept, these provisions may not achieve their objectives. If it is a question of rigorously enforcing the provision regarding the creditworthiness of the farmer, then the small farmer will not be able to get the required help. So this has to be completely reviewed and I hope the Reserve Bank, with the powers which it will get under the new Act, will be able to do that.

Then export, as Mr. A. G. Kulkarni has suggested, is a thing for which sufficient incentive and credit facilities should be made available. I would like to mention, Sir, in this connection that in some of the traditional fields of export from the agricultural industry, like plantations, the larger units are in a better position to avail themselves of every credit facility. But the smaller growers—say people with 10 to 25 acres—need special care and I hope the nationalised banks as well as the scheduled banks under the direction of the Reserve Bank will lay down a policy of easy long-term credit facilities so that production might increase and help in the export earnings of our country. Lastly, Sir, coming to the question of section 36AD which is so much in controversy here, I believe that for a bank to function properly and to realise its objectives, very calm and disciplined work is certainly necessary. Any interference or *gherao* or any act which undermines the confidence of the depositors is not healthy for the growth of banking and for that, it is necessary to see that the banks work efficiently and smoothly. It is one thing if an industry is involved in a strike; but it is entirely a different thing if a bank is involved because it might result in the whole economy being interfered with. All the same, to overcome that difficulty I do not think that the provision of section 36AD is necessary. It is a matter of industrial relations and where it is a very serious one, it could be handled by the normal laws of the country under the I.P.C. Then I also find that the punishment under this section is quite heavy. It will not only result in a person losing his job, but also in his paying a fine and going to jail. I know, that this Bill is going to be passed any way and it is a matter of relief that the Finance Minister has assured us that peaceful demonstrations will not be interfered with. I hope that while implementing this provision, this aspect will be taken into consideration. I certainly hope, Sir, that the provisions of this Bill will result in a reorientation of credit facilities and the sectors which were hitherto unable to get sufficient help will benefit by this Bill. Thank you.

SHRI CHANDRA SHEKAR (Uttar Pradesh) : Mr. Vice-Chairman, Sir, first of all, in the very beginning, I shall like to express my surprise at the report of the Select Committee. This Bill was referred to a Select Committee after

a long discussion and debate was held in this House and Members from all sides of the House wanted that the Select Committee should take into consideration some clauses and some sections of this Bill. There was great argument and there was some hesitation on the part of the Government to send this Bill to a Select Committee. But the whole House was almost of one opinion that this matter should be referred to a Select Committee. But it is surprising that no sooner the matter went to the Select Committee than the Select Committee thought it proper not to consider any clause or any section of the Bill worth amending. My hon. friend, the previous speaker, was just now referring to a particular section, section 36AD which has been a very controversial section not only in this House but throughout the country. The whole working population in the banking industry is worried about this particular provision and doubts...

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : Mr. Chandra Shekhar may continue after Lunch. The House stands adjourned till 2 P.M.

The House then adjourned for Lunch at one of the Clock.

The House reassembled after lunch at 2-00 P.M. THE DEPUTY CHAIRMAN in the Chair.

REFERENCE TO THE MERCY PETITIONS BY RHODESIAN NATIONALISTS

THE DEPUTY CHAIRMAN: Mr. Chandra Shekhar.

SHRI BHUPESH GUPTA (West Bengal): Madam, about this mercy petition...

THE DEPUTY CHAIRMAN : Mr. Rajnarain came to me this morning with that.

SHRI BHUPESH GUPTA : Madam, you can interrupt this thing. That mercy petition of...

THE DEPUTY CHAIRMAN : Mr. Rajnarain came with that thing to me. I have been told that it was...

(Interruptions)

SHRI BHUPESH GUKIA : I think we should express our concern.

(Interruptions)

SHRI ABID ALI (Maharashtra) Madam, when you are standing everybody else should sit down.

THE DEPUTY CHAIRMAN : This is the morning news. This news has not come now. I am told that this news has not come now. It was in the morning's papers. If it was in the morning's papers, the Chairman should have been approached in the matter and this could have been mentioned before 1 o'clock.

Now, Mr. Chandra Shekhar.

श्री राजनारायण (उत्तर प्रदेश) : माननीया, देखिये यह विश्व की इतनी बड़ी घटना है कि 32 रोडेशियन, आफ्रीकी नेशनल, फांसी के तख्ते पर ले जाये जा रहे हैं। इस प्रश्न पर...

SHRI ABID ALI : Madam, on a point of order... (Interruptions)

SHRI BHUPESH GUPTA : Why this point of order? (Interruptions)

SHRI ABID ALI : All this should not...

श्री राजनारायण : मेरा निवेदन, माननीया यह है की 32 आदमी जिन्होंने मर्सी पेट्री-जन दिया था...

THE DEPUTY CHAIRMAN ; No, no. Nothing shall go down. I have called Mr. Chandra Shekhar.

(Shri Rajnarain continued to speak)

THE BANKING LAWS (AMENDMENT) BILL, 1968—continued SHRI CHANDRA SHEKHAR : Madam Deputy Chairman, before lunch I was dealing with the point that this provision of 36AD in this Bill seems to be not only unnecessary, but totally unjustified because the objective of the Bill indicates that it is a social control Bill to control credit and to control the activities of those monopolists who are trying to utilise the economic resources of the country in a particular context. But from the Bill as has been introduced before Parliament it seems that it is not a social control Bill on banking institutions, but it is a staff control Bill. I do not understand the reason for introducing this clause in this Bill. One of the honourable Members