

People who had these high denomination notes had great difficulty in cashing them. It was all to the good; it was all right. Somehow or other, that phase has passed; now we want to re-introduce them. Is it the intention of the Government that -after a few years they will again demonetise high denomination notes? if that is in their mind, this is not going to bring any benefits to the country. It is sheer waste. Once it was demonetised and it shook the faith of the people in the value of notes. If the Government are introducing these notes with this reservation, they will be doing a great disservice to the credit system of the country. Our notes will not have any value; nobody will like to take them. During the war of 1914-18, people were not prepared to take even ten rupee notes; instead, they wanted silver rupees, but times have changed. Because the apex or the central bank has got credit, people have confidence that there will be no occasion when the central bank will refuse to give in exchange of a high denomination note, notes of lower denomination or even rupee coins. So, I will, first of all, oppose this re-introduction of high denomination notes in spite of any appeals that may have been made by certain banking concerns or by certain associations or Chambers or Federations for the issue of such notes.

The second thing is about rural credit. In order to understand the magnitude of the problem, apart from the reports that have been quoted by two hon. Members who preceded me, I would like to place a few facts before you. The first fact is that we have got nearly five lakhs of villages in our country. If you have co-operative banks, there are two types of such banks—one is a State co-operative bank with branches, which is the pattern of Bombay and Madras; the other one is a State co-operative bank with no branches. There are district co-operative banks which can borrow from the State co-operative bank.

New, we have nearly three hundred districts; that means, if we divide five lakhs of villages by three hundred, we get 1,700 villages in each district. How can you expect this one district co-operative bank to serve these 1,700 villages? You will say that there are co-operative societies in the various villages. If the people in the village want any credit facilities, they will have first to write to the Registrar of Co-operative Societies, get his permission through the Deputy Registrar of Co-operative Societies, etc. After they have got the permission, they have to apply to the district bank. The bank has got 1,700 villages to cater for and it will not come to their aid quickly; it will come after a great delay. The bank advances money after four or five months and this money will reach the agriculturists after nine months of application. If a peasant wants the money immediately, what happens? There is the village *sahnkar*. He thinks that if he goes to the village *sahukar*, he can get the money in about half an hour's time. The village *sahukar* charges 24 per cent, interest, and once he takes the money from the village *sahukar*, he is never able to repay it. He remains a life-long debtor and he is finished. The other alternative is the co-operative society. And the co-operative society will.....

MR. DEPUTY CHAIRMAN: Will you take some more time?

SHRI CHAND: Yes.

MR. DEPUTY CHAIRMAN: You can continue tomorrow.

There is a message from the other House

#### MESSAGE FROM THE HOUSE OF THE PEOPLE

#### THE INDIAN TARIFF (THIRD AMENDMENT) BILL, 1953

SECRETARY: Sir, I have to report to the Council the following message

[Secretary.]

received from the House of the People,  
signed by the Secretary to the House:

"In accordance with the provisions of rule 115 of the Rules of Procedure and Conduct of Business in the House of the People, I am directed to enclose herewith a copy of the Indian Tariff (Third Amendment) Bill, 1953, which has been passed by the House at its sitting held on the 15th December 1953.

The Speaker has certified that the Bill is a Money Bill within the meaning of article 110 of the Constitution of India."

I lay the Bill on the Table.

MR. DEPUTY CHAIRMAN: The House stands adjourned till 1-30 r.M. tomorrow-

The Council then adjourned till half past one of the clock on Friday the 18th December 1953.