

closed. If a full Branch is opened at a centre why should the Cancellation Section be closed there?

SHRI A. C. GUHA: Because the main Branch also does the cancellation work. Where there is no main Branch and where there is necessity for cancellation of notes, a Cancellation Section is opened.

SHRI M. VALIULLA: What is the value of the notes destroyed every year?

SHRI A. C. GUHA: For that I would like to have notice.

SHRI GOVINDA REDDY: Is the Government satisfied that all these Branches have full work?

SHRI A. C. GUHA: The first condition for opening a new Cancellation Office is to ascertain that there will be work for at least a major portion of the year.

KHWAJA INAIT ULLAH: What is the annual expenditure incurred on cancelling these notes?

SHRI A. C. GUHA: I would like to have notice for that.

GOVERNMENT GUARANTEES TO SCHEDULED BANKS FOR THE DEVELOPMENT OF AGRICULTURAL INDUSTRY

*125. SHRI GOVINDA REDDY: Will the Minister for FINANCE be pleased to state:

(a) whether Government have given any guarantees to the Scheduled Banks and Co-operative Banks to encourage them to finance agricultural industry; and

(b) if so, the particulars of such guarantees?

THE DEPUTY MINISTER FOR FINANCE (SHRI A. C. GUHA): (a) Yes, Sir, in a certain number of cases.

(b) A note giving briefly the information required is placed on the Table of the House.

Note

From time to time, limited schemes of Government guarantee or of Government assistance have been prepared and operated, so far in respect of tea and cotton. In addition, the Governments of some of the States have guaranteed the advances made by the Reserve Bank under section 17(4) (a) of the Reserve Bank of India Act to the State (Apex) Co-operative Bank in their area for financing seasonal agricultural operations or marketing of crops.

The particulars of the two cases are as under:—

So far as tea is concerned the Government undertook to meet, to a specified extent, the deficits, if any, of scheduled banks and State co-operative banks which agreed to continue to provide normal finance for their tea garden constituents for the 1953-54 season. The guarantee is limited to 20 per cent. of the repayments made by the gardens in their hypothecation accounts with banks for the 1952-53 season in the case of gardens situated in Cachar, Darjeeling, Dooars, Terai and Tripura, and 15 per cent. of the repayments in the case of gardens situated in other areas. As for cotton the Government of India have guaranteed to purchase from scheduled banks at specified prices American or East African Cotton subject to certain conditions, in order to enable scheduled banks to afford adequate facilities for the financing of imported American and East African cotton.

SHRI GOVINDA REDDY: May I know if the Rural Banking Enquiry Committee has made any recommendations in this regard?

SHRI A. C. GUHA: The Rural Banking Enquiry Committee's Report has been before the House for some years and its content must have been known to the hon. Member. The Rural Banking Enquiry Committee has made certain recommendations for expanding the work of the Reserve Bank on the agricultural credit side.

SHRI GOVINDA REDDY: In pursuance of the recommendations made by that Committee have the Reserve Bank guaranteed any advances made for the development of rural industries and agricultural products?

SHRI A. C. GUHA: Yes, Sir. In certain cases where the co-operative system is not well developed, the Reserve Bank on the guarantee of the State Government has advanced money to some Co-operative Banks for seasonal agricultural operations.

SHRI K. S. HEGDE: May I bring it to the notice of the hon. Member that the Reserve Bank has appointed a committee to go into this matter?

SHRI A. C. GUHA: I think I myself said in this House during the last session that an enquiry was going on. It is expected that the report of that Enquiry Committee will be available soon.

SHRI K. S. HEGDE: Are we to take it that the Report has not yet been submitted?

SHRI A. C. GUHA: I think, not yet.

SHRI M. VALIULLA: What is the rate of interest that is charged?

SHRI A. C. GUHA: The Reserve Bank charges $1\frac{1}{2}$ per cent. which is 2 per cent. below the usual Bank rate.

SHRI M. VALIULLA: Is Government aware that the co-operative societies are charging 10, 15 and 20 per cent. from agriculturists?

SHRI A. C. GUHA: The position is this. The co-operatives get only a fraction of their required money from the Reserve Bank. They get money at higher rates from other sources also. Money is being given by the Reserve Bank mainly to two or three States where the co-operative system is well developed and in those States the rate charged by the co-operatives from the primary tenants is, I think, round about $6\frac{1}{4}$ per cent. to $7\frac{1}{2}$ per cent.

SHRI M. VALIULLA: Does not the Government feel that there is a vast difference between $1\frac{1}{2}$ per cent. and $6\frac{1}{4}$ per cent. and $7\frac{1}{2}$ per cent.?

SHRI A. C. GUHA: There may be, Sir. But it should also be realised that the Reserve Bank can give a loan only to the apex bank. Then, from the apex bank, it goes to the Central Bank, the District Bank, etc. So, there are four or five tiers in-between the Reserve Bank and the loanee tenants.

SHRI RAJAGOPAL NAIDU: Sir, is it a fact that the guarantee of the Reserve Bank is limited only to the granting of short-term loans and not medium-term loans?

SHRI A. C. GUHA: I think, Sir, there is a time limit. I am not quite sure, but I think it is 18 months or something like that.

SHRI D. NARAYAN: What are the different rates of interest in different States charged by the co-operative societies?

SHRI A. C. GUHA: In some cases it is $6\frac{1}{4}$ per cent., but generally, it varies from State to State, and I think in some States it rises up to 15 or 20 per cent.

SHRI D. NARAYAN: Which are the States that are charging 15 to 20 per cent.?

SHRI A. C. GUHA: I am stating from memory; I think in Rajasthan and Hyderabad it is about 20 per cent. But I should say that there co-operatives are hardly organised.

SHRI D. NARAYAN: What is the rate in the Bombay State?

SHRI A. C. GUHA: I think it is $6\frac{1}{4}$ per cent. or so.

SHRI RAJAGOPAL NAIDU: May I know the reason why the Reserve Bank is not giving any guarantee for the granting of medium-term loans and long-term loans? Why is it giving guarantee only for short-term loans

limited to the extent of only 15 months and not 18 months?

SHRI A C GUHA I think the Reserve Bank is giving guarantee for agricultural operations according to section 17 of the Reserve Bank Act. And as far as possible, within the provisions of that section the Reserve Bank is providing credit for agricultural operations.

SHRI RAJAGOPAL NAIDU Sir, under the Five-Year Plan the Government had given a certain amount of assurance that medium-term loans to the extent of about Rs 25 crores would be given. What steps have the Government of India taken for the granting of long-term and medium-term loans to that extent?

SHRI A C GUHA I can only say that the Reserve Bank is holding an inquiry into the entire agricultural credit system, and on receiving that report, I think, these matters will be discussed and decided upon.

SELECTION OF SCIENTISTS FOR DELEGATIONS

*126 SHRIMATI SHOILA BALA DAS Will the Minister for Education be pleased to state how scientists are selected while sending delegation of scientists abroad and who selects them?

THE DEPUTY MINISTER FOR NATURAL RESOURCES AND SCIENTIFIC RESEARCH (SHRI K D MALAVIYA) The Government generally selects scientists on the recommendation of the Advisory Committee for co-ordinating scientific work and sends them.

SHRIMATI SHOILA BALA DAS Who are the members of the Advisory Committee?

SHRI K D MALAVIYA The constitution of the Advisory Committee is like this. The Prime Minister is the Chairman. Then there is a representative of the Ministry of Natural Resources and Scientific Research, Dr

Bhatnagar, a representative of the Ministry of Works Housing and Supply, Shri N M Buch, a representative of the Ministry of Health, Dr Pandit; a representative of the Ministry of Education Shri Chandiramani, a representative of the Ministry of Food and Agriculture, Dr Pal a representative from the Ministry of Defence, Dr Kothari, and a representative of the Cabinet Secretariat, Prof Mahalanobis.

श्रीमती सावित्री निगम क्या शिक्षा मंत्री जी बनलाने की कृपा करेंगे कि इस तरह के डेलीगेशन (delegation) भेजने का क्या उद्देश्य है और उनके मार्ग का व्यय कौन उठाना है ?

†[SHRIMATI SAVITRY NIGAM Will the Minister for Education be pleased to state what is the aim of sending such delegation and who bears their travelling expenses?]

श्री के० डी० मालवीय किमी एक डेलीगेशन भेजने का प्रश्न नहीं किया गया है। यह आम सवाल किया गया है। जो वैज्ञानिक बाहर जाते हैं उसके सम्बन्ध में जो को-ऑर्डिनेटिंग कमेटी (Co-ordinating Committee) बनाई गई है वह ही विचार करती है। इन्टरनेशनल साइंटिफिक (international scientific) संस्थाएँ इन वैज्ञानिकों को बुलाती हैं। भारत भी इसका एक सदस्य है। इन्टरनेशनल संस्थाओं के निमन्त्रणों पर यह कमेटी विचार करती है।

†[SHRI K D MALAVIYA The question was not put about some particular delegation. It was put in a general form. Only the Co-ordinating Committee, constituted for this purpose, selects scientists for sending them abroad. The International Scientific Institutions send for these scientists. India is also one of their members. The Committee considers the invitations received from the International Institutions.]

†English translation of the above.