

## COUNCIL OF STATES

Wednesday, 30th July 1952

The Council met at a quarter past eight of the clock, MR. CHAIRMAN in the Chair.

### ORAL ANSWERS TO QUESTIONS

#### PRODUCTION IN RARE EARTHS LTD., ALWAYE

\*76. SHRI S. C. KARAYALAR : Will the Minister for NATURAL RESOURCES AND SCIENTIFIC RESEARCH be pleased to state :

(a) when the Rare Earths Ltd., Alwaye, is expected to go into production ;

(b) whether the factory under the said Company has sufficient capacity to absorb all the monazite produced in the Travancore-Cochin State ; and

(c) if the answer to part (b) is in the negative, what provision has been made for the disposal of the surplus ?

THE MINISTER FOR COMMERCE AND INDUSTRY (SHRI T. T. KRISHNAMACHARI) :

(a) Already in production.

ib) Yes, Sir.

ic) Does not arise.

SHRI S. C. KARAYALAR : May I know what is the arrangement for getting supplies of monazite for the factory ?

SHRI T. T. KRISHNAMACHARI : I believe, Sir, the arrangement is that the Travancore-Cochin Government makes the supply.

SHRI S. C. KARAYALAR : Does the Travancore Government supply directly to the factory or is it through the Government of India ?

SHRI T. T. KRISHNAMACHARI : I cannot tell you exactly how it is, but on the records that I have with me it is said that the Travancore Government supplies monazite to the factory at a fixed price.

SHRI S. C. KARAYALAR : My question is, is it supplied directly to the company or through the Government of India ?

SHRI T. T. KRISHNAMACHARI : Well, the physical transfer must necessarily be to the company, but whether the correspondence is through the Government of India or not, I am not quite sure. But I believe the Travancore Government being vitally interested in this company there could be really no difficulty in corresponding direct with the company.

SHRI S. C. KARAYALAR : It is a question of mutual obligation. That is what I want to know about.

SHRI T. T. KRISHNAMACHARI : The question of obligation does not arise. The Travancore Government have got 45 per cent, of the shares in this company, and whatever might be the relationship that Government might have with this company, it is the Travancore Government that is interested in it.

SHRI GOVINDA REDDY : Before I put this question I wish to submit that this question has been mutilated beyond recognition and I request you to instruct the Office not to alter it materially and substantially.

#### HELP GIVEN TO AGRICULTURAL COMMUNITY BY RESERVE BANK

\*77. SHRI GOVINDA REDDY : Will the Minister for FINANCE be pleased to state :

ia) whether the Reserve Bank of India is rendering assistance to the agricultural community ;

ib) whether Government have received any proposal from the agricultural community in this regard ; and

(c) if so, what action Government have taken or propose to take in the matter ?

THE MINISTER FOR FINANCE (SHRI C. D. DESHMUKH) : (a) The Reserve Bank does not render any direct assistance to the agriculturists

but renders financial assistance to them through the State Co-operative Banks.

(b) and (c). No, Sir ; but a factual survey of rural credit is being made by the Reserve Bank of India with a view to formulating integrated policies in the sphere of rural credit.

SHRI GOVINDA REDDY : Have the Reserve Bank in their survey assessed the needs of the agricultural community ?

SHRI C. D. DESHMUKH : The main object of the survey is to collect such facts and statistical information as would assist the Reserve Bank, the Government of India and the State Governments in the formulation of integrated policies in the sphere of rural credit. The enquiry is designed to cover many other items of normal, short, intermediate and long-term credit requirements of both the economic, i.e., creditworthy and non-economic classes of farmers, the pattern of savings and deficits and the various aspects of capital formation in the rural areas. It would also assess the effects of the enactments relating to agricultural debt relief, control of money-lending, etc., on the rural credit system. A total number of 600 villages has been selected for the purpose of the survey. The survey is in progress and on present expectations the report of the Committee of Direction would be completed by the end of October 1952.

SHRI GOVINDA REDDY : May I know, Sir, if the Reserve Bank have, in the sphere of rural credit, made any definite proposals as to how to administer it ?

SHRI C. D. DESHMUKH : I thought Sir, that the long answer that I have read out would have made it clear that proposals are being formulated. If the hon. Member requires to know what has been done in the past, that is another question.

SHRI GOVINDA REDDY : My question was to know about the future.

In what way and in what stages is it intended to afford rural credit ?

SHRI C. D. DESHMUKH : The proposals are being formulated and that would be done after the receipt of the report.

MR. CHAIRMAN : They are being formulated. So nothing can be said definitely at this stage.

SHRI B. C. GHOSE : In view of the many enquiries which have already been held in the past, how many more enquiries do Government consider necessary to come to a decision in the matter of providing credit to agriculturists ?

SHRI C. D. DESHMUKH : I would find it easier to answer the question if I knew from the hon. Member what previous enquiries have been held. The only enquiry that was held was the Rural Banking Enquiry which did not go into the question of rural banking at all. It produced its report in a matter of three or four months and it concerned itself primarily with two things : one, the extension of banking in the rural areas, that is to say the opening of branches either by the Imperial Bank or other Scheduled Banks, with or without subsidy, and the other was about the arrangements with Part B States in regard to treasuries. They could not really make any recommendations in regard to rural credit as such because they had no basis of factual enquiry and it was for this reason that on my initiative a conference was held and later on the present enquiry had been started.

SHRI B. C. GHOSE : Has the Agricultural Credit Department of the Reserve Bank made certain enquiries and made some recommendations also ?

SHRI C. D. DESHMUKH : The statutory duty of the Agricultural Credit Department is to produce reports and I believe that there are two reports, but they are not based on any factual survey or enquiry as is being made now.

SHRI M.S. RANA WAT : Are there any villages from Rajasthan included in these 600 villages ?

SHRI C. D. DESHMUKH : I am afraid I must have notice.

SHRI KRISHNA MOORTHY RAO: Will the hon. Minister inform the House what financial assistance has so far been given by the Reserve Bank through apex Banks ?

SHRI C. D. DESHMUKH : Well, the assistance given under section 17(2)(a), (2)(6) and (4) of the Reserve Bank of India Act is as follows. If the amount drawn is less than the amount sanctioned, it meant that the Bank which was asking for assistance did not need it to the fullest extent. The amounts sanctioned during the past four years are as follows :— Rs.

1948-49	1,80	crores.
1949-50	2,14	crores.
1950-51	7,26	crores.
1951-52	12,03	crores.

Interest on these advances is charged at 2% below the bank rate, i.e., it used to be 1 1/2% per annum for the period 1951-52.

#### BASIC EDUCATION SCHEME

♦78. SHRI GOVINDA REDDY : Will the Minister for EDUCATION be pleased to state :

(a) whether Government appointed any committee to consider the question of giving effect to the Basic Education Scheme in all parts of India ;

(b) if so, whether the committee has submitted its report; and what action Government have taken in the matter ?

THE MINISTER FOR COMMERCE AND INDUSTRY (SHRI T. T. KRISHNA MACHARI) :  
(a) Yes, in May 1948.

(b) Yes. The Report was considered by the Central Advisory Board of Education at their 15th Meeting held in January 1949, and its main recommendation relating to the provision of universal compulsory education for children of 6—11 age-group within a period of ten years was approved. It was also accepted by the Government of India, and was brought to the notice of State Governments who were requested to give effect to it.

SHRI GOVINDA REDDY : May I know if the State Governments have sent in their approval. ?

SHRI T. T. KRISHNAMACHARI :  
Sir, I am unable to answer that question.

PROF. N. R. MALKANI : In view of the importance of the Basic Education Scheme, has Government made any special provision for the training of teachers on a large scale ?

SHRI T. T. KRISHNAMACHARI : I am afraid, I want notice.

MR. CHAIRMAN : I think it would be better for someone directly connected with the Department of Education to be here to answer questions.

SHRI T. T. KRISHNAMACHARI : The hon. Minister could not come and that is why I had to take his place.

#### DISCRETIONARY BUDGET GRANT

\*79. SHRI M. VALIULLA : Will the Minister for FINANCE be pleased to state :

(a) what was the discretionary budget grant for disbursement in the year 1951-52 for each Minister ; and

(b) the amount spent by each Minister, province-wise, out of that grant ?

THE MINISTER OF STATE FOR FINANCE (SHRI MAHAVIR TYAGI): (a) The amount of the discretionary grant placed at the disposal of Ministers for disbursement in the year 1951-52, is as follows :—

The Health Minister Rs. 3,00,000

The Education Minister Rs. 2,00,000

The Rehabilitation Minister Rs. 50,000

(b) The statement is placed on the Table of the House. [ See Appendix II, Annexure No. 47. ]

SHRI M. VALIULLA : Is there any reason why these three Ministers should be singled out for placing discretionary grants at their disposal ? Why are no other Ministers included—