

tructed, the necessary technical training can easily be given to Indian technicians?

Shri K. D. Malaviya: Yes, Sir, certainly.

LOAN FOR AGRICULTURAL PURPOSES

***276. Shri A. C. Guha:** Will the Minister of Finance be pleased to state:

(a) the amount of loan or credit paid by the Reserve Bank of India to different Banks for agricultural purposes in 1952;

(b) the rate of interest charged by the Reserve Bank; and

(c) the rate of interest at which the cultivators have got the loans from Banks?

The Parliamentary Secretary to the Minister of Finance (Shri B. E. Bhagat): (a) The amounts of loans advanced by Reserve Bank of India under Section 17 of the Reserve Bank of India Act to the State Co-operative Banks for seasonal agricultural operations and marketing of crops, in 1952, were as follows:—

(In lakhs of rupees).

Name of the State	1952
Bombay	114.85
Madras	144.93
Madhya Pradesh	46.90
Uttar Pradesh	49.25
Orissa	27.50
West Bengal	60.00
Ajmer-Merwara	1.70
TOTAL	1045.13

(b) The Reserve Bank's advances to State Co-operative Banks for seasonal agricultural operations and marketing of crops are made at $1\frac{1}{2}$ per cent. that is, two per cent. below the Bank rate.

(c) The Reserve Bank has no control over the rate of interest which the co-operative credit institutions charge from the loanees including the agriculturists. However, the available information about the rates of

interest at which loans are disbursed by primary co-operative societies in various States is as follows:—

Name of the State	Rate of interest (1951-52)
	(%)
Bombay*	4-11/16 to 9-3/8
Madras	$4\frac{1}{2}$ to $6\frac{1}{2}$
Uttar Pradesh*	12 to 15
West Bengal	$12\frac{1}{2}$
Madhya Pradesh	3 to 12
Orissa	$8\frac{1}{2}$ to $10\frac{1}{2}$
Bihar*	8 to 9-3/8
Hyderabad	9-3/8 to 20
Rajasthan	$7\frac{1}{2}$ to 25
Delhi	9-3/8
Mysore	$5\frac{1}{2}$ to 9
Ajmer-Merwara	9 to 10

*For the year 1950-51.

Shri P. T. Chacko: Rajasthan, how much? 25 per cent?

Shri B. E. Bhagat: $7\frac{1}{2}$ per cent. to 25 per cent.

Shri A. C. Guha: For whose interests is the Reserve Bank making this sacrifice and giving a loan at $1\frac{1}{2}$ per cent. whereas these ultimate beneficiaries are getting at 7, 8 and 12 or even at 20 per cent.?

Shri B. E. Bhagat: As I said in reply to part (c), the Co-operative banks being a State subject, the Reserve Bank has no control over the rates charged. Secondly, although the Reserve Bank makes advances to them at a concessional rate of $1\frac{1}{2}$ per cent. this forms only a small percentage of the deposits of the Co-operative Banks. This cannot be had at the same concessional rate. Moreover, there is some force in the complaint that the agriculturists are charged a higher rate. The Reserve Bank is examining this position.

Shri A. C. Guha: May I enquire if the Government is convinced that the rates charged by these Co-operative Banks are usurious and should not be allowed?

Pandit Thakur Das Bhargava: May I make the point clear, Sir?

Mr. Deputy-Speaker: That is going into an argument. The hon. Member is giving an opinion, and....

Shri A. C. Guha: I am simply asking....

Mr. Deputy-Speaker: There is this palpable difference. The Reserve Bank lends at a low rate and they charge a higher rate. But, they are governed by the State Governments. The hon. Minister can only exert a moral influence over this and no other influence.

The Minister of Finance (Shri C. D. Deshmukh): The Reserve Bank exerts something more than a moral influence. I remember when this system was started in my time, the intention was that the advantage should be passed on to the actual loanee or the cultivator. How this matter has developed since then, I am not precisely aware of. But, I do think that something can be done by the Reserve Bank to ensure that the advantage of these low rates is, in fact, passed on to the cultivator.

Shri P. T. Chacko: May I know whether in 1952 any amount was advanced from the Reserve Bank to any Co-operative Apex banks or Scheduled banks for agricultural loans in the Part B States?

Shri C. D. Deshmukh: Actually in the list, there is no part B State bank, and the reason is that the Reserve Bank's facilities in terms of section 17 are available only where two good signatures are available. It is not always possible to furnish them because the co-operative movement is relatively undeveloped or in an unsatisfactory state in some of the States. For instance, in some of the States, there are no State co-operative banks at all. In other States, the Apex banks require considerable re-organisation.

Pandit K. C. Sharma: May I know the circumstances under which the Reserve Bank permitted this unconscionable and usurious practice by the Co-operative banks?

Mr. Deputy-Speaker: The hon. Minister has said that he is making enquiries.

सरकार ए० एस्० सहलगल : डेढ़ रुपये सैकड़े पर रिजर्व बैंक जो लोन प्राविन्शियल बैंक्स को देता है और वे जो डिस्ट्रिक्ट कोअपरेटिव बैंक्स को देते हैं, यह भी ज्यादा चार्ज करते हैं, तो क्या इस पर सरकार तहकीकात करेगी ?

श्री सी० सी० देशमुख : मेने वायदा किया है और वह तहकीकात की जायगी।

Mr. Deputy-Speaker: I am afraid we are beating a dead horse.

Shri S. N. Das: May I know whether efforts have been made to enquire to what extent these Co-operative Banks were able to utilise the loans granted to them for the purpose for which they were intended?

Shri C. D. Deshmukh: Our impression is that they have been fully utilised.

Shri N. Somana: For what period is this loan granted?

Shri C. D. Deshmukh: Twelve to fifteen months.

Shri Velayudhan: May I know whether the moneys already given to the States were actually used for cultivation purposes or not?

Mr. Deputy-Speaker: They are agricultural loans.

Shri Velayudhan: I want an answer. The Reserve Bank gives loans at a low rate; but they charge 15 per cent. and 25 per cent. We should know....

Mr. Deputy-Speaker: Order, order. The hon. Member will allow an answer to be given.

Shri C. D. Deshmukh: We have no evidence that it is used for any other purpose.

Mr. Deputy-Speaker: Next question.

SECRETARIAT STAFF WELFARE AND AMENITIES COMMITTEE

*277. **Sardar Hukam Singh:** Will the Minister of Home Affairs be pleased to state whether a Secretariat Staff Welfare and Amenities Committee to organise literary, social and recreational activities for the Staff has been constituted?

The Deputy Minister of Home Affairs (Shri Datar): The question of constituting such a Committee is under active consideration.

Sardar Hukam Singh: When was it that the Estimates Committee made a recommendation to the effect that a Committee should be constituted?

Shri Datar: They made a recommendation in 1951. Immediately a circular was issued and last year on