

Government and the employees, what that machinery is and what will be its scope of work?

Sardar Majithia : As I said, the instructions of the Ministry of Home Affairs are quite clear. There is no ambiguity. Under this they act.

Sardar A. S. Saigal : May I know whether the Government is insisting upon having only one Employees Federation ?

Sardar Majithia : It is not a question of insistence. We take up the membership and on that we decide which is the proper association to be recognised.

Shri P. L. Kureel : Is the Government entirely satisfied with the existing arrangements for negotiation with the All India Defence Employees Federation and other associations ?

Sardar Majithia : Yes; naturally.

CREDIT MARKET

*2367. **Shri Ibrahim :** Will the Minister of Finance be pleased to state:

(a) whether it is a fact that credit conditions in the commercial and industrial centres of the country have become difficult; and

(b) if so, reasons therefor?

The Deputy Minister of Finance (Shri B. R. Bhagat) : (a) The answer is 'yes', on the assumption that the Hon'ble Member has in mind the stringency in the money market that is currently prevailing at some of the important commercial and industrial centres like Bombay and Calcutta.

(b) The emergence of seasonal stringency is a normal phenomenon of the Indian money market. This is attributable to the seasonal character of the demand for credit for the purpose of financing the movement of crops from up-country centres. This year the degree of the stringency experienced has been somewhat more pronounced than in the previous busy season. With the broadening of economic activity owing to the rise in industrial and agricultural production under the impetus of the First Five Year Plan there has

been a tendency for credit demands in successive busy seasons to become more pronounced and the return of funds to the banking system in the subsequent slack season to be attenuated. Thus, as a result of the all round increase in production and consumption and the increasing price level, the volume of demand for credit has been continually on the increase during the last few years.

Shri Ibrahim : May I know what steps have been taken by Government in this direction?

Shri B. R. Bhagat : There are the normal facilities to the Scheduled Banks in respect of larger accommodation from the Reserve Bank and greater rediscounting facilities.

Shri A. M. Thomas : May I enquire whether complaints have reached the Finance Ministry that because of the State stepping in as a serious competitor for tapping the cash resources in the country by offering attractive terms of interest, the deposits in the commercial banks have been affected, and may I also enquire what exactly is the position, whether the deposits in the Scheduled Banks have increased or decreased?

Shri B. R. Bhagat : The bank deposits have increased during this period by about Rs. 215 crores.

Shri Kasliwal : From the answer given by the hon. Deputy Minister may we conclude that he is in a position to say clearly that there are no inflationary tendencies in the country ?

Shri B. R. Bhagat : This question refers to the normal stringency and in answer I gave the normal measures required to meet this seasonal stringency. As far as the inflationary situation is concerned, prices are on the rise and yet we cannot say that inflation has set in. Certainly the Government has taken direct measures to control any untoward spiral or rise in prices.

Shri N. B. Chowdhury : May I know whether, in addition to the recent notification imposing restrictions on the Scheduled Banks preventing them

from advancing money for speculation on grains. Government contemplate issuing such directives with regard to any other commodity?

Shri B. R. Bhagat: The Reserve Bank, as a matter of fact, will issue directives for certain commodities in which they see that the price-rise, or speculative activity to be more correct, is going on in a rather exaggerated form. The Reserve Bank found from the analysis of the advances or the price-rise that in respect of certain commodities like rice and paddy speculative activity had been much more, and therefore they issued a specific directive. If a similar situation arises in certain other commodities, the Reserve Bank will surely issue directive in that respect also.

Shri K. P. Tripathi: May I know if as a result of the decision of the Reserve Bank to have a credit squeeze so far as crop production is concerned, there will be more funds available in the market for purposes of financing other operations?

Shri B. R. Bhagat: The Reserve Bank will certainly ensure that there are enough or adequate funds available to meet the legitimate demands of the trade.

PUBLIC SCHOOLS

*2368. **Shri I. Eacharan:** Will the Minister of Education be pleased to state:

(a) the total number of public schools in the country State-wise and their present strength; and

(b) the number of Scheduled Castes and Scheduled Tribes students admitted and getting education through these institutions?

The Deputy Minister of Education (Dr. K. L. Shrimali): (a) and (b). A statement is laid on the Table of the House. [See Appendix XIV, annexure No. 13.]

Shri I. Eacharan: What is the difficulty in allotting seats to candidates of the Scheduled Castes and Scheduled Tribes in the public schools, and may I know also any management has objected to it?

Dr. K. L. Shrimali: These public schools are autonomous bodies. The Government of India only gives *ad hoc* grants. Admission to these institutions is not based on any caste or creed. It is open to all kinds of people.

Shri Ramachandra Reddi: May I know the total cost met by the Government last year?

Dr. K. L. Shrimali: Grants were given to several institutions in 1955-56. I do not have the total, but I have the grants for the separate institutions. Would the hon. Member like me to read them now or place it on the Table?

Mr. Speaker: Not necessary.

Shri Kelappan: Will the Minister take the trouble to collect the information asked for in part (b) of the question?

Dr. K. L. Shrimali: We did write to the public schools, but the difficulty is that they admit students not on the basis of caste. They do not ask for the caste. I have some information with me, but it is not complete. In some institutions, for example in the Lawrence schools there are four students of the Scheduled Castes and Scheduled Tribes, in Mayo College there are three and so on.

Shri Jangde: Is it not a fact that though the Government has given certain grants for the poorer section of the people to get admission in these public schools, the mode of selection and the way of examination and the way of teaching are such that only the sons and daughters of the officers and people living in Western style get admission and not the people of the rural or oriental type?

Dr. K. L. Shrimali: I do not subscribe to the view that the selection is made entirely on the basis of merit. All kinds of tests, including psychological tests are given, and then the students are admitted.

Shri A. M. Thomas: May I enquire whether the main handicap of the students from the Scheduled Castes and other backward classes is the prohibitive cost that they incur in these