

forced to seek voluntary retirement under mandatory retirement scheme. In such a situation, I would like to know from the hon. Minister how the production of cloth would increase?

SHRI G. VENKAT SWAMY: Mr. Speaker, Sir, I have already given reply to this. I repeat it for the convenience of the hon. Member. Keeping in view the problems of weavers a scheme is being formulated for improving their lot..

(Interruptions)

SHRI BRISHIM PATEL : What is that scheme, please enlighten us. We have been hearing about it for a long time that a scheme is being chalked out... .. *(Interruptions)*

SHRI G. VENKAT SWAMY : Mr. Speaker, Sir, the Government is formulating a number of schemes for improving the condition of weavers and to bring them above the poverty line. In order to ensure that yarn and dyes etc. are supplied to weavers in time we are chalking out schemes so that they are at least able to earn minimum wages while working in the Handloom sector. State Governments will have to ensure their implementation. We are holding talks with them. A scheme is being formulated for ensuring minimum wages. The schemes would not be implemented successfully unless the State Governments cooperate. The State Governments have to be convinced. Once the scheme is given final shape, the detailed information would be placed in the House.

SHRI SANDIPAN BHAGWAN THORAT: Mr. Speaker, Sir, through you, I would like to submit to the hon. Minister that Sholapur city is famous for the production of towels and bed sheets, however its production is reducing gradually. 22 items which have been banned for powerloom sector include towels and bed sheets also which are lot foreign exchange for us. I would like to know from the hon. Minister that keeping in view the fact that Sholapur is famous all over the country for manufacture of best

quality of Jacquard sheets and towels of export quality, which the hon. Minister may also be having in his house, whether the Government propose to lift the ban on these items.

MR. SPEAKER: Is this question related to it?

SHRI G. VENKAT SWAMY : Mr. Speaker, Sir, perhaps the hon. Member is referring to the Supreme Court's order under which 22 items have been reserved for exclusive manufacture in the Handloom sector and he wants these two item to be excluded from this list. No decision to this effect has so far been taken. The Government propose to implement the order of the Supreme Court.

MR. SPEAKER : We have already spent half an hour on this question. Now we will take up the next question.

[English]

Small Scale Sector

*303. SHRI *MANORANJAN BHAKTA:
DR. CHINTA MOHAN:

Will the PRIME MINISTER be pleased to state:

(a) whether the growth rate of the small scale sector is expected to fall sharply during the current financial year, as reported in the Pioneer dated February 16, 1993;

(b) if so, the reasons therefor;

(c) the growth rate registered by this sector during 1992-93 vis-a-vis 1991-92;

(d) whether the Government are still working out the sectoral performance of this sector;

(e) if so, the details thereof; and

(f) the remedial steps proposed to boost the growth of small scale sector?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF SMALL SCALE INDUSTRIES AND AGRO AND RURAL INDUSTRIES) (SHRI M. ARUNACHALAM) (a) to (f). A statement is laid on the Table of the House.

STATEMENT

(a) No, Sir.

(b) Does not arise.

(c) Office of the Development Commissioner (Small Scale Industries) computes the Index of Industrial Production for Small Scale Sector on quarterly basis. On the basis of this Index, the rate of growth in small Scale Sector during the year 1991-92 was 2.4% over the previous year. It is estimated that the growth rate in the small scale sector during the 1991-92 was 2.4% over the previous year. It is estimated that the growth rate in the small scale sector during the 1992-93 will be about 5% growth of industrial production in Small Scale Industrial Sector in particular.

(d) Yes, Sir.

(e) As per the index of the industrial production for the year of 1991-92, the sectoral growth rate of production over the previous year was 23.3% in transport equipment, 17.3% in leather and leather products, 13.3% in basic metal industries and 12.1% in non-electrical machinery group, negative growth rate of -10.5% in metal and metal products, (-) 3.3% in footwear and wearing apparel was observed.

(f) The Government has always safeguarded the interest of Small Scale Sector. The important steps taken to boost the Small Scale Sector by the Government of India are :-

(i) Exemption from concessional excise duty.

(ii) Concessional rates of interest on loans upto Rs. 2 lakhs.

(iii) Marketing facility of their products through NSIC, SSIDC's.

(iv) Reservation of items for exclusive manufacture in the Small Scale Sector.

(v) Reservation of items for Government Purchase.

(vi) Price preference in purchase from SSI.

(vii) Transport subsidy.

(viii) Scheme for Self-Employment for Educated- Unemployed Youth.

(ix) Enhancement in the investment limit of plant and machinery in respect of tiny units from Rs. 2 lakhs to Rs. 5 lakhs and inclusion of business and industry related services as tiny units and modification in definition of woman enterprises.

(x) Simplification of rules and procedures regarding registration.

(xi) Insurance of Ordinance entitled "The Interest of Delayed Payment to Small Scale and Ancillary Undertakings Ordinance".

(xii) Widening of the scope of National Equity Fund Scheme.

(xiii) Equity participation by order Industrial Undertaking in small scale units upto 24%.

SHRI MANORANJAN BHAKTA: Mr. Speaker, Sir, it is really surprising to know as to how the Minister has declined or refused to reply. If the census conducted during 1987-88 is any indication, then 40 per cent of such units will be non-functional or untraceable and about 2,21,000 will be the sick industries. In view of the above, 7,00,00 units will be functioning, out of the registered 14,96,000 units.

If that so, I cannot understand how the Government has denied about the possible decline of growth in the small scale sector

during the current financial year. In view of the new liberal industrial and economic policy and unrestricted import policy, what is the growth in index registered by the Development Commissioner (Small Scale Industries) for the last nine months on sectoral basis?

SHRI M. ARUNACHALAM: Sir, the growth rate in the small scale sector during 1991-92 was 2.4 per cent against the negative growth rate witnessed in manufacturing sector.

As far as the sectoral performance for the last quarter is concerned, the growth rate was about 5 per cent as given by the DC(SSI). We have 14 sectoral industries. There are only two areas where we have shown negative growth rate. I will pass on the information about this to the hon. Member.

SHRI MANORANJAN BHAKTA: Mr. Speaker, Sir, the Government has announced a number of concessions to safeguard the interests of the small scale units in the country. The list of 13 steps mentioned in the statement is appreciated. But to avail these concessions, the small scale units have to run from pillar to post. The benefits are not reaching the units in time thereby defeating the very purpose.

So, I would like to know from the hon. Minister whether Government would like to introduce a single window system to get the desired benefits by these units.

Secondly, sometimes for want of adequate budgetary allocation, the concessions, such as transport subsidy, capital subsidy, are not available in time. Does the Government consider taking adequate action in this regard?

Thirdly, even the interest has to be paid. But the public sector organisations are not paying it to the small scale industries for years together. So, you are mentioning that interest has to be paid. But even when the original money is not paid, how does the question of interest come? There should be

some legislation so that payment by such units is made compulsory in due time. What is the reaction of the Government?

SHRI M. ARUNACHALAM: Sir, one of the basic policy measures announced for small scale sector on 6th August, 1991 is de-reservation, de-regulation of the sector. Hon. Prime Minister has suggested that instead of frequent meetings, the emphasis should be on voluntary compliance. The Union Minister of Labour has already written to the State Government to implement it. The Environment Ministry has given a direction relating to environment clearance. Except a few periodically exempted from the environmental clearance. The process of registration has been completely simplified.

In this direction, hon. Prime Minister has advised us to convene a meeting of State Ministers of Industries very shortly. We will be getting the feedback from the State Ministers. The Act has to be implemented by the State Governments. That aspect has to be discussed with the State Governments. They have to implement these directions.

Coming to the capital subsidy, we have stopped it in 1988. There are 16 pending cases. We have to clear it.

About interest payments to the small scale sector, an Ordinance has been issued. A Bill is pending in the House. It has to be passed in this month.

MR. SPEAKER: Shri Nawal Kishore Rai.

(Interruptions)

SHRI MANORANJAN BHAKTA: What is the budgetary allocation for transport subsidy? *(Interruptions)*

SHRI M. ARUNACHALAM: About transport subsidy, of course, this scheme is still in existence. We are giving transport subsidy. If there is any delay, so far as your State is concerned, I am prepared to clear

it. (*Interruptions*)

MR. SPEAKER: No, no, please.
(*Interruptions*)

MR. SPEAKER: Mr. Naval Kishore Rai.

(*Interruptions*)

MR. SPEAKER: You will talk to the Minister in his Chamber now. (*Interruptions*)

MR. SPEAKER: This is the fourth question you are asking.

(*Interruptions*)

MR. SPEAKER: According to the rules, you are allowed to ask only two questions. I have allowed the third question. You want to ask the fourth question. Other Members are also there.

(*Interruptions*)

MR. SPEAKER: Please do not argue. You meet the Minister, please. He will help you. Please sit down now.

[*Translation*]

SHRI NAWAL KISHORE RAI: Mr. Speaker, Sir, through you, I would like to ask the Hon. Prime Minister a question with regard to the unemployed persons. It has been mentioned in the statement that to boost the small sector scheme for Self-employment for the educated unemployed youth will be implemented. There are about four crore people unemployed in the country. Under the self-employment scheme the Central Government provides financial assistance of Rs. 15,000 for starting a business, Rs. 25,000 to set up industry and Rs. 35,000 for investment in small scale industry. I would like to know from the Hon. Prime Minister that keeping in view the increasing inflation whether small scale industrial unit can be set up with this amount in the country? If, in the real sense....(*Interruptions*)

MR. SPEAKER: You please ask the question.

SHRI NAVAL KISHORE RAI: Does the Hon. Prime Minister propose for increase this loan limit to two lakh rupees so that more and more unemployed persons are benefited. Will the proposal to increase the loan limit to rupees seventy five thousand be taken into consideration?.... (*Interruptions*)

[*English*]

SHRI M. ARUNACHALAM: Sir, the scheme of self-employment for the educated youth is being in operation since 1983. The hon. Member has suggested to increase the loan limits. It is a good suggestion; we will take into the Finance Minister to find out as to what can be done.

MR. SPEAKER: If you say that it is a good suggestion, then it becomes an assurance.

SHRI SARAT CHANDRA PATTANAYAK: In order to improve the growth rate in small scale sector, is the Government considering to constitute Small Scale Industries Board and if so, I want to know the details.

SHRI M. ARUNACHALAM: We have the National Small Industries Advisory Board. We have already constituted and it is functioning.

[*Translation*]

SHRI TARA CHAND KHANDLWAL: We are giving encouragement to women entrepreneurs and we are giving special training through special entrepreneurial development schemes.

SHRI S.B. SIDNAL: Sir, certain small scale units are very much in difficulty. But there are so many SSI industries which are export oriented. Has the Government any proposal to encourage them specially in views of the present foreign exchange position?

SHRI M. ARUNACHALAM : Modernisation, upgradation of technology and quality improvement are the basic objectives of the Government and we are working in that direction. WE are extending facilities to the export oriented units; we have allowed 24 per cent participation from the large scale sector into the small scale sector to improve quality.

MR. SPEAKER: Virender Singh, you should ask question about large scale industries and not small scale industries.

[Translation]

SHRI VIRENDRASINGH : Mr. Speaker, Sir, the hon. Minister in his reply has stated that the Government has taken a number of steps to boost the small scale sector and have formulated schemes for self employment to provide employment to the unemployed youth. Small Scale industrial units in the rural areas are being set up only with the assistance being provided by the Government. The items manufactured in small scale industries are also being manufactured in the large scale industries wide publicity of their items overshadow the items produced in small scale industries and thus they suffer setback and the small industries cannot even pay back their loan. I would like to know whether the Government proposes to reserve certain items for exclusive manufacture in large scale industries as is being done in the case of small scale industries.

[English]

SHRI M. ARUNACHALAM: Sir, there are 836 items reserved for the small scale sector and large sector cannot enter there.

They commit 75 per cent for exports.

SHRI AMAL DATTA: A number of efforts by the Government have been listed in the answer. The most important reason why small scale industry has not been able to flourish in this country is that the arrangements for financing either through small industries financing corporations or Banks,

have been inadequate. Even though they may have funds, they are very wary in giving loans to applicants and they take a very long time. If the small scale industry were to flourish, Government must see that the loan application is quickly disposed of and loan is given within a short time, whether it is required initially to start the industry or to survive, when the working capital needs go up. To do this, Government have to come up with rules and even statutes to see that the small industries corporations and the Banks give priority to the financing needs of the small industries. They should also see to it that a certain time limit is set. Is the Government prepared to give this kind of priority with the help of rules and enactment if necessary and set a time limit within which this must be done?

SHRI M. ARUNACHALAM : As far as the credit to this flow sector is concerned, I agree with the hon. Member that it is not as we expect it to be. On the recommendation and suggestion of the Industry Department, a committee has been constituted headed by Shri Naik, the then Deputy Governor of the RBI. The RBI is examining this aspect of credit flow to the small scale sector. We are awaiting the decision of the RBI on this.

KUMARI MAMTA BANERJEE: It is a fact that the Government's policy is to encourage unemployed youth and women especially in the small sector. But in reality, what we see is that after getting training in the industrial institutes, women and unemployed youth are much harassed and they do not get proper attention.

Secondly, in West Bengal, 23,000 small scale industries have been closed down. They are totally closed. I do not know the figures about other States, but according to my information, it is 23,000 in West Bengal. Will the Minister make a survey to find out as to why these industries have been closed when lakhs of unemployed youth are on the streets? I would request the Minister to make a survey and encourage unemployed youth and women so that they can stand on their own feet.

MR. M. ARUNACHALAM: I do not know about the harassment of women entrepreneurs. We have called the Industry Ministers of various States for a conference. We will discuss this issue with them. Most of the issues have to be dealt with by State Governments themselves.

As regards the survey, I will go back and discuss with my officers to find out whether a survey is already being conducted. If not, we will discuss the issue in detail.

[Translation]

Civil Amenities Scheme

*305 SHRI SRIKANTA JENA: Will the Minister of URBAN DEVELOPMENT be pleased to state:

(a) whether the Government and the Housing and Urban Development Corporation have approved any scheme for providing better civic other facilities in small and medium towns in various States;

(b) if so, the details thereof;

(c) the names of projects launched under this scheme in Orissa;

(d) the total amount earmarked for the purpose; and

(e) the amount spent in Orissa on this account during 1992-93?

[English]

THE MINISTER OF URBAN DEVELOPMENT (SHRIMATI SHELA KAUL) (a) to

(e). A statement is laid on the Table of the Sabha.

STATEMENT

(a) and (b). Provision of civil facilities is the responsibility of the local bodies concerned. These local bodies formulate their schemes in consultation with the State Governments concerned. State Governments on their part render assistance to the local bodies under various schemes and also through borrowing from financial institutions like HUDCO, LIC etc. The Government of India plays only a nodal and catalytic role. Financial support is given through a Centrally Sponsored Scheme of Integrated Development of Small and Medium Towns (IDSMT) being implemented from 1979-80. Upto 31.3.1992, central assistance amounting to Rs. 176.17 crores has been sanctioned and 517 small and medium towns covered.

(c) and (d). Based on various proposals received from the Government of Orissa under the IDSMT. Schemes have been sanctioned in 22 towns and central assistance of Rs. 710.75 lakhs released from 1979-80 to 31.3.1992. A list of towns alongwith the amounts sanctioned for each town is given in the enclosed ANNEXURE.

(e) No releases have been made from Central Government under the scheme for Orissa during the financial year 1992-93.

Town -wise details of Central assistance released under IDSMT Scheme to the State of Orissa during the period 1979-80 to 31.3.1992

(Rs. in lakhs)

Sl.	Name of the town	Amount
(1)	(2)	(3)
<i>6th Plan</i>		
1.	Puri	40.00
2.	Sambalpur	37.50