

The principle for doing this has been known for some time and some pilot plants have been built in the USA. It is too early to give an accurate figure for the expected price for oil from commercial scale conversion. Several technical factors have yet to be studied. Investigations have started in India, and pilot plants are proposed to be set up.

Recommendation of International Planning Team of Ford Foundation

*635. SHRI S.A. DORAI SEBASTIAN: Will the Minister of INDUSTRY be pleased to lay a statement showing :

(a) the principal recommendations made by the International Planning Team of Ford Foundation in its Report on small industries in India; and

(b) the action taken thereon?

THE MINISTER OF INDUSTRY AND STEEL AND MINES (SHRI NARAYAN DAT TIWARI) : (a) The International Planning Team on Small Industries in India popularly known as Ford Foundation Team was invited by the then Ministry of Commerce and Industry with a view to reviewing the policies and programmes and analysing the then existing conditions and prospects and suggesting possible solutions for the development of small scale industries in the country. The principal recommendations made by the Team submitted on 31st March, 1954 were:—

(1) The establishment of not one but at least four such Institutions located geographically at different places so as better to serve the agencies to impart simply and quickly to the small scale industrialists for his immediate use modern advances in science and technology in business management, finance and marketing.

To achieve this purpose the Institute should :—

- (i) initiate and carry on investigations and surveys of existing methods as well as conduct experimental and applied research for promoting development of small industry e.g., concerning the broad technical field, improved tools, machinery, methods, raw-materials product of quality, marketing, credit, finance etc.
- (ii) disseminate the methods and results thus obtained to the industrialists, their

deputies, or skilled workers. Dissemination and promotion of these improvements should be done through educational short refresher courses and information and consultation service given at the Institutes and at the Branch Units, and through mobile demonstration unit and travelling Industrial extension workers.

(2) Setting up of National School of Designs Customers Service Corporation in India and Export Development offices in foreign countries.

(3) Ensuring an increased flow of credit and finance to small scale industries by delegation of more powers to the branches of the commercial banks, establishment of State Financial Corporations in all the States etc.

(4) Setting up of a Small Industries Corporation with regional and State branches for servicing of small scale industries in the field of purchase by the Government Department.

(5) Establishment of plant for production and training centre.

(6) Establishment of an autonomous marketing service corporation for the small scale units.

Action taken :

(b) Later in the same year i.e. 1954 the Government of India established the Small Industry Development Organisation with headquarters at New Delhi, Four Regional Small Industries Service Institutes one each at New Delhi, Bombay, Calcutta and Madras were established with the Office of the Development Commissioner (Small Scale Industries) as an apex body. Subsequently, on a persistent demand from the State Governments for having an Independent Small Industries Service Institutes in their respective States, the Government decided to decentralise the Regional Institutes into the State level SISIs. At present there are 25 Small Industries Service Institutes, 20 Branch Institutes and 41 Extension Service Centres covering almost all States/Union Territories of the country.

The National Institute of Designs at Ahmedabad, Trade Development Authority with its offices in Delhi, London, New York etc, and Export Promotion Councils of different items have been established to assist the small scale units in improving

the market worthiness of the products they manufacture. In addition, in order to meet the needs of the small industries for better designed tools and better designed electrical measuring instruments, Government have established Central Institute of Tool Designs at Hyderabad and Institute for Designs and Electrical Measuring Instruments at Bombay.

Flow of credit and finance to the small scale industries has been continuously increasing as a result of continuous process of delegation of powers and authority from the regional office to the branch offices of the commercial banks particularly those which were later nationalised. State Financial Corporations have also been set up to cover all the States and the Union Territories in the country.

Following the establishment of Small Industries service Institutes and the Small Industry Development Organisation in 1954, later in the next year National Small Industry Corporation was set up with its headquarters at New Delhi with the primary objective of assisting the small scale units in marketing their products through participation in the Central Governments stores purchase programme. Another important function being performed by this Corporation is the supply of machinery on hire purchase basis to the small scale units. It will be worth mentioning here that this function was taken by the Corporation at a time when no commercial banks had any meaningful scheme of term lending to the small scale units. The National Small Industry Corporation also used to handle some of the critical imported as well as indigenous raw-materials as a distribution agency among the small scale units.

There are four Prototype Development and Training Centres established under the National Small Industries Corporation, one each at Rajkot, Okhla (New Delhi), Howrah and Madras. The NSIC has got regional offices at Madras, Bombay, Calcutta and New Delhi. There are four Production Centres located at Ettamanur, Attingal, Muvattapuzha and Thiruvella (all in Kerala). Besides one Process-cum-Product Development Centre at Ranchi has been set up, under the aegis of Small Industry Development Organisation. In addition there are two Central Footwear Training Centres at Agra and, Madras.

Though no separate autonomous marketing service corporation has been set up, as recommended by the Ford Foundation Team, but these functions are being looked after to some extent by the National Small Industries Corporation.

Variable Dearness Allowance Element in Statutory Minimum Wages

*636. SHRI CHITTA BASU: Will the Minister of LABOUR be pleased to state:

(a) whether Government have under consideration a proposal for introducing variable dearness allowance element in the Statutory minimum wages for various industries, instead of periodic revision which is a time-consuming process;

(b) if so, at what stage the proposal rests now; and

(c) when final decision is likely to be taken in that regard?

THE MINISTER OF STATE OF THE MINISTRY OF LABOUR (SHRI BHAGWAT JHA AZAD): (a) to (c) The Minimum Wages Act already provides for fixation of minimum rates of wages which may consist of a basic rate of wage with or without the cost of living allowance. However, at the State Labour Ministers' Conference held in August, 1981, it was recommended that a mechanism should be devised to link the minimum wages to the Consumer Price Index Numbers to the extent possible so that these can be revised periodically without delay. This decision has been brought to the notice of all State Governments/Union Territory Administrations. Thirteen States/Administrations have already provided for variable dearness allowance element in the minimum wages in some of the scheduled employments.

Recession in Engineering Units

*637. SHRI BHIKU RAM JAIN:

SHRI S. B. SIDNAL: Will the Minister of INDUSTRY be pleased to state:

(a) whether the Engineering industry have shown figures of recession and there is significant fall in sale of leading engineering units;

(b) whether it is also a fact that the Railways and the State Electricity Boards had not placed orders due to credit squeeze;

(c) whether Government propose to relax present squeeze and capital credit to help grow engineering industry in the country; and

(d) if so, the details thereof?

THE MINISTER OF INDUSTRY AND STEEL AND MINES (SHRI NARAYAN DATT TIWARI):

(a) No, Sir. Only the manufactures of