

[Shri Mahanty]

right of any State to accept a particular piece of legislation under article 252 of the Constitution. It is open to the States to accept a particular piece of legislation under article 252 or reject it. When this was brought to the Orissa Assembly, the amendment was to reduce the ceiling from 50,000 to 10,000. Under these circumstances, you can well realise that there is not an economical approach to this problem but something which is extra-economic; that is, if I may say so, a political approach. But I am happy to say that the coalition ministry in Orissa was not guided by this extra-economic approach which was a political approach, and it has done a thing which was mete and proper in the circumstances.

With these words, I welcome the passage of this Bill though we may not really like the underlying implications of what this Bill suggests.

16.24 hrs.

[SRI JAIPAL SINGH *in the Chair*]

Shri Ajit Singh Sarhadi (Ludhiana): Mr. Chairman, Sir, I would like to draw the attention of the hon. Minister to one thing. That is about the lacuna in the Estate Duty Act of 1953 in as much as there is no provision there for laying the rules before the House.

I have got an amendment

Mr. Chairman: It is too late now.

Shri Ajit Singh Sarhadi: I only want an assurance from the hon. Minister that next time an amendment is brought to the Act, this provision will be incorporated and the rules will be placed before the House.

Mr. Chairman: I do not think I need call upon the hon. Minister to reply any further.

The question is:

“That the Bill be passed”.

The motion was adopted.

16.26 hrs.

RESERVE BANK OF INDIA (AM- ENDMENT) BILL

Mr. Chairman: The House will now take up the next item—the Reserve Bank of India (Amendment) Bill.

Shri D. C. Sharma (Gurdaspur): What about the discussion on the annual report of the Hindustan Shipyard?

Mr. Chairman: The next business on the agenda is the Reserve Bank of India (Amendment) Bill. After that we shall see.

Shri D. C. Sharma: How long will this Bill take?

Mr. Chairman: Let the hon. Member be patient.

Shri Braj Raj Singh (Ferozabad): In today's list of business, we do not find any time mentioned when the motion on the Hindustan Shipyard will be taken up. We are at a loss to know when that will come up, because there are so many Government Bills before that.

Shri Mahanty (Dhenakanal): It is a reflection on the Parliamentary Affairs Minister.

Mr. Chairman: There is no reflection. The next business before the House is the Reserve Bank of India (Amendment) Bill. After that we shall see.

The Deputy Minister of Finance (Shrimati Tarkeshwari Sinha): I beg to move:

“That the Bill further to amend the Reserve Bank of India Act, 1934, be taken into consideration.”

This is a non-controversial Bill and the House, I believe, will not expect

me to make long speech. The object of the Bill is to add two minor enabling provisions to Section 17 of the Reserve Bank of India Act, which deals with the Bank's powers and duties. As the proposed sub-clause (11A), which will authorise the Bank to act as an agent of the Central Government for the purpose of guaranteeing the loans made to small-scale industries, is more important than the other provision, I might perhaps indicate very briefly the circumstances in which we have considered it necessary to entrust this function to the Reserve Bank.

The House is aware that it is the policy of the Central Government to assist the growth of small-scale industries in the country in all reasonable ways. With this object in view, we have now expanded very considerably the facilities and services available to such industries. Among the facilities which are now available, I might perhaps mention the various small industries service institutes, which offer technical assistance free of cost, the arrangements for the grant of loans on liberalised terms and at concessional rates of interest through the industries departments of the State Governments and Union territories, the hire-purchase scheme which is being operated by the National Small Industries Corporation and the assistance which is now being provided by that Corporation for the marketing of products either at the marketing depots which are now being set up in various parts of the country, or by means of special arrangements for the sale of the products to the Government departments.

The Government of India, as you are aware are also assisting the State Governments with loans for the establishment or expansion of industrial estates. Many of these estates, for example, those at Guindy, Rajkot and Okhla, have proved to be both popular and useful. I am glad to say that the financial outlays on the schemes for the development of small-scale industries have proved so far

to be fully justified and that this sector of Indian industry, has in consequence not only grown in size, but has also been enabled to improve its efficiency and organization.

On the banking side, that is to say, apart from the assistance which is being provided directly by the Central or State Governments, we have been considering for some time the question of granting increased facilities to small-scale industrial units in order to accelerate their growth.

Mr. Chairman, you are aware that shortly after the establishment of the State Bank, a scheme for the grant of liberalised assistance was undertaken by the Bank experimentally, at some of its offices. This scheme, which came into effect from the 1st April, 1956, was extended subsequently to all its branches with effect from 1st January 1959. The subsidiaries of State Bank, which have since come into being, have also formulated, or will shortly be formulating, similar schemes for assistance to small-scale industries in the areas in which they are operating.

Our experience in regard to the State Bank scheme has been both useful and informative. In a relatively short period, up to the end of December, 1959, more than 4,200 applications from various units were received and considered by the Bank, and the operations in the various accounts indicate that so many sound enterprises have been assisted. The limits sanctioned by the State Bank, at the end of December 1959, amounted to about Rs. 4.62 crores.

In order to provide some further incentives for the State Bank and its subsidiaries also for the other commercial banks in the private sector to extend still further the assistance to this sector of industries, we have, however, been examining a proposal to provide some sort of guarantee in respect of loans granted to similar concerns. These concerns, although they may be deserving and well-run, may not be able, because of the lack of readily marketable securities or for various other reasons, to obtain

[Shrimati Tarkeshwari Sinha]

financial accommodation from the banks in the existing conditions. The object of the present scheme is to relax the existing excessively onerous and burdensome conditions, if possible.

The Reserve Bank has naturally been taking a great deal of interest in this matter. In July 1959 the Bank convened at Hyderabad a seminar on the problems of the small-scale industries generally, and this seminar recommended, in the light of the experience in regard to similar problems in the USA and Japan, a scheme for guaranteeing the obligations of small-scale industrial units and selected commercial banks or certain other financial institutions.

The recommendations of the Hyderabad seminar were subsequently considered in greater details by the sub-committee constituted by the Small-Scale Industries Board, with which the Members of Parliament from both the Houses were associated. The scheme which was produced by the sub-committee was accepted by the Board when it met in Puri in October 1959.

With the modifications which have since been suggested, this scheme now contemplates that in the case of industrial establishments for capital investment not exceeding Rs. 5,000 a portion of the loan granted to it may be guaranteed by the Central Government on the payment of the concern of a small fee. The limits of the guarantee are intended to be adjusted to the size of the loans so that the relatively smaller units can be assisted to a greater extent.

The scheme which we have in view will be in force experimentally for a period of about two years, pending the consideration of more permanent arrangements. We hope to be able to finalise the various details in the near future, so that these proposals may be implemented immediately in selected districts situated in the various States.

As the Reserve Bank is closely connected with the commercial banks and other credit institutions, and as it is also the expert adviser or agent of the Central Government in financial matters generally, the Bank will look after, and be responsible to the Central Government, for the day-to-day operation of this scheme. I have, needless to say, every hope that the Reserve Bank will administer this scheme with sympathy and imagination, considering it in the general perspective of our economic and social policies.

I do not think that it is necessary for me to elaborate the other provisions which we are making in this Bill. The State Financial Corporations are not entitled to banking accommodation for a short-term period from the Reserve Bank. Our proposal is that they, or other financial institutions which may be notified, should be able to borrow from the bank for a longer period up to eighteen months. There is already a precedent for this in so far as the I.F.C. is concerned and I am sure that the Corporations concerned will find the new provision useful.

Sir, I move that the Bill be taken into consideration.

Mr. Chairman: Motion moved:

"That the Bill further to amend the Reserve Bank of India Act, 1934, be taken into consideration."

Shri V. P. Nayar (Quilon): May I know at what time the motion regarding Hindustan Shipyard will be taken up?

Mr. Chairman: I shall consider that when the point arises.

Shri Ajit Singh Sarhadi (Ludhiana): Mr. Chairman, Sir, I agree with the hon. Deputy Minister that the Bill is of a very non-controversial nature. It is a very welcome measure. It indicates that Government of India has got an increasing appreciation of the importance of the

small scale industries in the developing economy of the country. In this connection, I hope and believe that the Government is alive to the regional disparities that exist in the country in the different regions.

Small scale industries have got a great part to play in the elimination of those regional disparities. While I do not want to make a long speech, I would certainly say that when the Reserve Bank is to give financial guarantees to the commercial banks for investments in small scale industries, they should also take into consideration those backward and underdeveloped regions where we have got to develop the small scale industries for the purpose of having regional industrial development. I hope that will be kept in consideration when the Reserve Bank authorities exercise the power which we are giving them.

With these words, I support the Bill.

श्री० रणबीर सिंह (रोहतक) : सभापति महोदय, मैं इस बिल का स्वागत करता हूँ और मानता हूँ कि जैसे वक्त बदला है उस के अन्दर यह बहुत जरूरी था क्योंकि इस देश के अन्दर सब से मजबूत और बड़ी कंसर्न है वह टाटाज की समझी जाती है और टाटाज का भी काम चल नहीं सकता जब तक कि हिन्दुस्तान की सरकार उन को विदेशी रुपया लेने के लिये गारन्टी न दे। जो छोटे छोटे घंघे और गाव की विलेज इंडस्ट्रीज हैं उन का काम चल नहीं सकता जब तक कि रिजर्व बैंक या सरकार रिजर्व बैंक के द्वारा कर्ज के लिये गारन्टी न दे। लेकिन सभापति महोदय मैं समझता हूँ कि यह काफी नहीं है। अगर हम चाहते हैं कि विलेज इंडस्ट्रीज और कोटेज इंडस्ट्रीज बढ़ें तो हमें इस इरादे को हासिल करने के लिये काफी आगे जाना होगा और जैसाकि कुछ हम ने किया भी है कि रिजर्व बैंक कोटेज इंडस्ट्रीज को लोन देता है। कोआपरेटिव

सोसाइटीज की मार्फत दो फीसदी बैंक रेट से नीचे सस्ते सूद पर कर्ज देता है और यह देना कोटेज इंडस्ट्रीज को बढ़ाने के लिये बहुत जरूरी है।

आज देश की आबादी का बहुत बड़ा भाग देहातों में बसता है। अगर देश की आबादी हम ३८ करोड़ की लगायें तो उस में से ३१.५ करोड़ आदमी देहातों में रहते हैं और जहां तक कि उन की आमदनी का सवाल है जहाँ हिन्दुस्तान के एक आम आदमी की आमदनी २८४ रुपये साल बैठती है वहाँ देहात के अन्दर बसने वाले भूमिहीन आदमियों की औसत आमदनी १०४ रुपये साल ही बैठती है। इस देश के अन्दर करीब २० करोड़ आदमी ऐसे हैं जिन का कि रोज का खर्चा ८ आने से ज्यादा नहीं है कम ही बैठता है। खेती का जहाँ तक वास्ता है आप जानते हैं कि खेती जो है वह कोई आबादी का बहुत ज्यादा भार नहीं उठा सकती है और जैसाकि दूसरे देशों ने भी किया अपने देश की तरक्की करने के लिये इंडस्ट्रीज को बढ़ाना बहुत जरूरी है और इंडस्ट्रीज को बढ़ावा देने के लिये खाम तौर से हिन्दुस्तान जैसे विशाल देश में जहां कि बेकारी बहुत ज्यादा फैली हुई है, छोटे छोटे धंधों को बढ़ावा देना बहुत जरूरी हो जाता है।

सभापति महोदय, मैं आप का ध्यान इस ओर दिलाना चाहता हूँ कि रिजर्व बैंक कोआपरेटिव सोसाइटीज को जो कर्जा देता है तो उस में मैक्सिमम क्रेडिट लिमिट करने का जो तरीका रक्खा है उसे भी बदलने की जरूरत है। कर्ज दिलाने के लिये क्रेडिट गारन्टी बैसे बहुत अच्छी चीज है लेकिन जहां तक विलेज इंडस्ट्रीज का तालमुक है उस में वह कोई बहुत ज्यादा हद तक इमदाद नहीं कर सकती है। कुछ इमदाद अवश्य करेगी। अलबत्ता कोटेज इंडस्ट्रीज जो ५ लाख या १० लाख रुपये तक के तरमावे से चलाई जायेंगी उन के अन्दर

[श्री० रणवीर सिंह]

काफी इमदाद करेगी और इमदाद करनी चाहिये लेकिन विलेज इंडस्ट्रीज को बढ़ावा दिये बगैर इस देश के अन्दर जो हमारी इच्छा है वह पूरी नहीं हो सकती है खाम तौर पर बेरोजगारी का मुकाबला करने के लिये इस की बहुत ज्यादा जरूरत है क्योंकि आप अन्दाजा लगाइये कि ५ लाख देहात हैं और शहरों के अन्दर बैंकों की गारन्टी कौन उन को देगा और उन को कितनी महंगी पड़ेगी ताकि उन को रुपया सस्ता पड़ सके और उन का जो धंधा है वह आगे बढ़ सके और तरक्की हो सके। उस के लिये जरूरी है कि देहातों के अन्दर जो बैंक हैं और जो आप जानते हैं कि कोऑपरेटिव मोसाइटीज के नाम पर ही उन को बैंक समझा जा सकता है उन तक असर पहुंचे और उस का असर तभी पहुंच सकता है जब हमारे रिजर्व बैंक की नीति कुछ बदले। अब हमारे देश में ३० जून १९५८ की गिनती के हिसाब से १ लाख ६५ हजार मोसाइटीज हैं जिन को कि देहात का बैंक कहा जा सकता है और उन का जो अपना ओन्ड मरमाया है वह ३२ करोड़ और ३७ लाख है और रिजर्व बैंक ने २० फीसदी से कम सूद की दर पर जो रुपया दिया है वह मुश्किल से कोई साढ़े ४ करोड़ रुपया है। यह जो मोसाइटीज की मैक्सिमम क्रेडिट लिमिट मुकर्रर करते हैं तो उस के मुकर्रर करते वक्त अगर रिजर्व बैंक ऐपिक्स बैंक का सरमाया और देश के अन्दर जितनी मोसाइटीज हैं उन के सरमाये और अपने फंड्स को ध्यान में रख कर यह मैक्सिमम क्रेडिट लिमिट मुकर्रर करें तो जो छोटे छोटे धंधे चलते हैं उन को लाभ हो सकता है। ६ गुना रुपया वह मैक्सिमम सरमाये और अपने सरमाये के ऊपर देते हैं उस में से एक गुना छोटे धंधों के लिये देते हैं और ३२ करोड़ से ज्यादा छोटे धंधों के लिये पहुंच सकता है और वह भी २ फीसदी से कम सूद की दर के ऊपर पहुंच सकता है। हमारा जो मैक्सिमम क्रेडिट लिमिट करने का बसूल है

उस के अन्दर सिर्फ हम ऐपिक्स बैंक के सरमाये और उन के रुपये का ही ध्यान रख कर करते हैं इसलिये आज असली मुद्दा और जो असली फायदा है वह हमें पूरा नहीं पहुंच सकता है। मैं समझता हूं कि यह जो हम क्रेडिट गारन्टी देते हैं तो इस का असली तौर पर विलेज इंडस्ट्रीज को फायदा पहुंच सके और जिन को कि बढ़ावा दिया जाना बहुत जरूरी है और मैं यह मानता हूं कि आने वाले वक्त के अन्दर यह कोटेज इंडस्ट्रीज या स्मोल स्केल इंडस्ट्रीज बड़ी बड़ी इंडस्ट्रीज का मुकाबला कर सकती हैं। जापान का एक छोटा आदमी वहां जापान की ओपड़ी में बैठ कर यहां हमारी बड़ी बड़ी मिलों का मुकाबला कर सकता है तो हिन्दुस्तान के अन्दर भी देहात के अन्दर बैठा हुआ एक मजदूर अम्बर चर्वे से जोकि बिजनी से चले या एक पावर लूम लगा कर बड़ी से बड़ी मिल का मुकाबला कर सकता है। यहां रिआयत देने की बात नहीं है। हम तो चाहते हैं कि जो रिआयत बड़ी बड़ी मिलों को और बड़ी बड़ी कम्पनियों और बड़े बड़े मरमायेदारों को है वही रिआयत उतने ही हिसाब से एक गरीब आदमी को भी मिले। उस के लिये जहां यह क्रेडिट गारन्टी स्कीम्स के वास्ते बिल रक्खा है वहां मैक्सिमम क्रेडिट लिमिटे मोसाइटीज को पैसा कर्जा देने का बसूल है उस को भी बदलने की जरूरत है और उस के अन्दर यह माना जाना चाहिये कि जो मोसाइटीज हैं देश की उन का अपना सरमाया और रिजर्व फंड वगैरह है और उन का जो शेयर कैपिटल है उस को मिला कर उन के हिसाब से ही यह मैक्सिमम क्रेडिट लिमिट रक्खी जाय। उस का ६ गुना अगर मैक्सिमम क्रेडिट हम मान लें तो २५० करोड़ रुपया आज भी रिजर्व बैंक देहात के अन्दर खेती की तरक्की के लिये या छोटी छोटी दस्तकारियों की तरक्की के लिये दे सकता है और मैं मानता हूं कि इस से रिजर्व बैंक का कोई नुकसान होने वाला नहीं है।

घुनांचे आज अजीब हालत है। बड़े बड़े कारखानेदार जिन को कि समझा जाता है कि वह ऐतबार लायक है, बड़े बड़े शहरों के अन्दर जो कम्पनियां बनती हैं और जिन को कि ऐतबार लायक समझा जाता है उन की हालत क्या है? लोग ५०, ५० लाख रुपया अपने पास रख कर दीवाला निकाल देने हैं और यह जो हमारी मशीनरी है यह उस का कोई इलाज नहीं कर सकती है। एक आदमी एक कम्पनी एक नाम से चलाता है और फिर उस से हट कर दूसरे नाम से चलाना शुरू कर देता है तो रिजर्व बैंक के पास कोई चारा नहीं है और उस से रुपया वसूल नहीं किया जा सकता। लेकिन देहातों के अन्दर भले ही एक आदमी किसी का कत्ल कर के बच जाय मगर वह सरकार के रुपये को मार कर नहीं बच सकता। अब बदकिस्मती इस बात की है कि विलेज इंडस्ट्रीज को जब बढ़ावा देने की बात आती है तो रिजर्व बैंक के अधिकारी कुछ इस तरह की आशंका करने लगते हैं कि अगर इस तरह से रुपये से देहातों की मदद की गई तो कहीं रिजर्व बैंक का दीवाला न निकल जाय। मैं समझता हूँ कि यह जो रिजर्व बैंक के चलाने वाले डाइरेक्टर्स हैं और जोकि आम तौर से उन आदमियों में से आते हैं जो कि बड़े बड़े कारखानेदार और बड़े बड़े धंधों के मालिक हैं वे उन गांव की छोटी छोटी इंडस्ट्रीज को प्रोत्साहन नहीं देना चाहते और उन की ओर उन की उपेक्षा वृत्ति रहती है। उन का इस तरह से शक करना कि उन का रुपया डूब जायेगा गलत है क्योंकि जैसे मैं ने कहा देहात का आदमी किसी को कत्ल कर के भले ही बच जाय लेकिन वह रिजर्व बैंक के रुपये को नहीं मार सकता। यह बड़े बड़े कारखानेदार और बड़े बड़े धंधे वाले ही लाखों रुपये रख कर दीवाला निकालते हैं। लेकिन गरीब रिजर्व बैंक का और सरकारी रुपया किसी तरह भी मार नहीं सकता उस की क्षोपड़ी तक नीलाम हो जाती है। मेरा निवेदन है कि जहां हम इस बिल को पास

करें वहां अगर हमारा इरादा गरीबों को क्रेडिट की सहूलियत देनी है और देश के अन्दर छोटे छोटे धंधों का बढ़ाना चाहते हैं तो जो मैं ने सुझाव दिये हैं उन को रिजर्व बैंक के लिये स्वीकार करना आवश्यक हो जाता है।

Shri Kalika Singh (Azamgarh): Sir, the expansion of small-scale industries, cottage industries and village industries is the only programme of Government which can shift a substantial number of the population from agriculture to industries. That has been the main programme for all these ten or twelve years, but that could not be carried out because of the lack of finances.

So far, the district co-operative institutions were the only agencies through which credit facilities could be given to small-scale and cottage industries; and only very small loans used to be given under very strict terms with the result that they could not be utilised even for the purposes for which they were given.

In the First Five Year Plan, a sum of Rs. 50 crores was to be spent on small-scale industries, but that also could not be utilised fully. In the Second Plan, a sum of Rs. 200 crores was provided for this purpose. We are glad that the hon. Minister has announced that in the Third Plan, the sum will be more than Rs. 600 crores. Therefore, it appears that Government have now realised, when they are formulating their Third Plan, that unless they put a substantial percentage of the population on small-scale industries, they will not be able to solve the unemployment problem, at least, the educated unemployment problem that is very much perturbing the whole Government and the country itself.

Therefore, I felt that the Bill which has now been brought forward is a very beneficial measure, although a belated one. We know that the State Governments have been

[Shri Kalika Singh]

moving the Central Government for loans for small-scale and village industries, but the difficulty had been that the State Bank and the Reserve Bank never wanted to take the responsibility for agricultural loans under the respective Acts and the rules thereunder. But, now, because the programme itself is so much important that Government cannot do away with the expansion of small-scale industries, therefore, the Reserve Bank has now been asked to guarantee the loans, and for that purpose, this Bill proposes that the Reserve Bank will be utilised as the agent of the Central Government. The loan will be given to the small scale industries. The loan will be realised back from those very industries and paid over to the Reserve Bank. Therefore, it will be a sound financial proposition.

The difficulties are there, but now because all the States have established State Small Scale Industries Corporations, the loans have to be given to these Corporations. There are small scale industries financial corporations other than these State Small Scale Industries Corporation functioning in so many States. If the Reserve Bank gives loans to those Corporations which are themselves running under statutory provisions, there will be no risk of loss of money to the Reserve Bank as was suggested by an hon. Member. Therefore, if the Reserve Bank of India and the State Bank of India both utilise their finances to finance small scale industries through suitable channels, I think it will be a beneficial programme for the advancement of the country as a whole.

We spend heavy amount on large scale industries. We have spent more than Rs. 1000 crores on large scale industries in the Second Five Year Plan, although in the First Plan we spent only Rs. 176 crores. But we could not put any substantial percentage of the population in industries because large scale industries or

big factories or large companies are not employers of many people. In the sugar mills which have investments in terms of crores, they do not employ more than 1000 persons. But the cottage and small scale industries are the only industries by which we can shift the population from land to industries. The question of the shifting of population from and to industries is so important that Government cannot ignore it. During the last 50 or 100 years, we have been moving in the opposite direction. 50 to 60 years ago, 50 or 60 per cent of the population was depending on agriculture and the rest on industries and other services. But now about 75 per cent are depending on agriculture, because the population that is increasing has been coming more and more into agriculture since the industrial programme has failed and there has been no consistent policy of Government in this regard for such a long time. But now because Government have taken up a programme and the Reserve Bank and the State Bank are guaranteeing the loans, I think the country as a whole will welcome it. At least the policy of Government to help small scale industries will be made known to everyone.

श्री रघुनाथ सिंह (वाराणसी) : सभापति महोदय, जो विधेयक उपस्थित किया गया है उस का चारों ओर से स्वागत होगा। इस का इस तरह से स्वागत होगा कि जैसे यह शरीर है इस शरीर के ढाँचे के लिये बड़ी बड़ी अस्थियों की आवश्यकता होती है। लेकिन शरीर को जो शक्ति देती है, वह छोटी छोटी अस्थियाँ और छोटी छोटी शिरायें हैं। इसी प्रकार से हमारे यहां बड़ी बड़ी इंडस्ट्रीज हैं। हमारे यहां ६ बड़े बड़े स्टील प्लांट हैं। ये ६ स्टील प्लांट स्टील पैदा करेंगे उस का उपयोग कैसे होगा? अगर छोटी छोटी इंडस्ट्रीज को संगठित किया जाय तो उन के स्टील का उपयोग हो सकता है।

मैं आप को शिपयार्ड का उदाहरण देता हूँ। हम ने इंग्लैंड, अमरीका, जापान आदि के शिपयार्ड देखे हैं, पर वह हमारे यहां के शिपयार्ड से छोटे मालूम पड़ते हैं। हमारा विखाशापत्तनम का शिपयार्ड इंग्लैंड के शिपयार्ड से बहुत बड़ा मालूम पड़ता है। उसका कारण क्या है? जापान का शिपयार्ड जिस में साल में पच्चीस पच्चीस जहाज बनते हैं, या इंग्लैंड का शिपयार्ड जिस में साल में पन्द्रह पन्द्र जहाज बनते हैं हमारे शिपयार्ड से छोटे हैं। इस का कारण यह है कि वह अपने जहाजों के लिये बहुत सा सामान स्माल स्केल इंडस्ट्रीज से तैयार करवा लेते हैं। जैसे किसी छोटे उद्योग से ट्यूब बनवा लिये, किसी से छोटे छोटे इंजिन बनवा लिये और जो सामान इस तरह से छोटे उद्योगों से तैयार हो कर आता है उस को शिपयार्ड में जोड़ दिया जाता है। लेकिन हमारे यहां जो जहाज दो करोड़ का बनता है उस के लिये ६० लाख का सामान बाहर से आता है। जो यह ६० लाख का सामान बाहर से आता है उस को हम अपने यहां छोटे उद्योगों के द्वारा बनवा सकते हैं। किसी उद्योग से हम ट्यूब बनवा सकते हैं, किसी से वायर बनवा सकते हैं, किसी से छोटे इंजिन बनवा सकते हैं। इस प्रकार हम छोटे उद्योगों से और भी बहुत सा सामान बनवा सकते हैं। इसलिये यह जो विधेयक आप के सामने है यह छोटे उद्योगों को बढ़ावा देने की दृष्टि से बहुत उत्तम है।

साथ ही साथ मैं एक बात और कहना चाहता हूँ। हिन्दुस्तान एशिया के बीच में है। हिन्दुस्तान के हाथ में बर्मा, थाईलैंड, मलाया, पाकिस्तान, सीलोन को सेलिंग बैसिल सप्लाय करने का व्यापार आ सकता है। छोटे छोटे लांचेज का व्यापार उस के हाथ में आ सकता है। छोटे छोटे इंजिन जोकि नावों में फिट किये जा सकते हैं, उन का व्यापार हमारे हाथ में आ सकता है। इस प्रकार के व्यापार को हमें अपने हाथ में

लेना चाहिये। आज क्या हो रहा है? जापान ने पाकिस्तान आदि के साथ एक व्यापारिक समझौता किया है सेलिंग बैसिल देने के लिये। इसी प्रकार का समझौता शायद उस ने बर्मा के साथ किया है। ये सेलिंग बैसिल छोटे छोटे होते हैं। अगर हम इन बैसिल्स को बनायें तो जो स्टील हम पैदा करते हैं उस का बहुत अच्छा उपयोग हो सकता है। इसलिये मैं इस विधेयक का स्वागत करता हूँ। यह विधेयक ऐसे समय में आया है जबकि भारत-वर्ष को इस की आवश्यकता थी और इस के द्वारा हम को छोटे उद्योगों को ज्यादा मदद देनी चाहिये।

Shri Kasliwal (Kotah): Mr. Chairman, I should have hardly spoken on this Bill but I am constrained to make one or two observations.

The hon. Minister in her speech has mentioned that the Bill is primarily meant to help the small scale industries. But, if you will please see clauses 2(a) and (c), with regard to the State Financial Corporations, how the State Financial Corporations are going to advance loans and other things, you will find that it is not merely applicable to small scale industries but it is equally applicable to the medium scale industries and, perhaps, to large scale industries also. So, when the hon. Minister confined her speech primarily to the question of giving help to the small scale industries, I think, she was narrowing the scope of this Bill. Probably, she had only the last clause in her mind.

Now, I want to say something about the State Financial Corporations and their working. It has been found that in the working of these corporations there is a great amount of rigidity in their functioning. And, it is absolutely essential that, if the small scale industries are going to be helped, that rigidity has to go. There must be a good deal of liberalisation in the working of these Corporations.

[Shri Kasliwal]

17 hrs.

Take the case of the rate of interest. So many of these State Financial Corporations charge a high rate of interest; and for a small scale industry it is really not possible to pay such a high rate of interest as 8, 9 or 10 per cent.

I would like that the hon. Minister keeps this particular matter in her mind because if a small-scale unit is to be charged ten per cent, it is impossible for that unit to improve or to function.

Secondly, when these corporations advance loans they keep a margin of 50 per cent, which, I submit, is not fair. The margin should be reduced to 25 per cent if they are really keen that the small-scale industries should function. Again, take the case of the granting of working loans. Today they are granting working capital loans on the basis of the total loans granted. The total working capital loan shall not exceed 25 per cent. For a fair working of the small scale units, it is not a right proposition. There should be no linking of working capital loan with the total amount of loan granted to a small scale unit. That is my third point.

Then again, when security is demanded in so many respects, the small-scale unit suffers. They do not take into account the land, building and other things and machinery because that machinery is probably hire-purchase machinery. When security is demanded, all these things should also be taken into consideration.

With regard to the third clause, credit facilities guaranteed by the Reserve Bank, the Reserve Bank is acting as the agent of the Central Government. I very much welcome the suggestion. But I would like to draw your attention to a major point. If there is a small-scale unit and it is a limited company and the State becomes a participant in the equity capital, what will be

the position of that unit? Will the credit guarantee scheme continue to apply to such a unit in which the State has become a participant in equity capital. I hope the hon. Minister will clarify the position. I heartily welcome this Bill and I believe that the small-scale industries which suffer for want of funds will now improve if these schemes are applied properly and if the State corporations work out these schemes sensibly and are not rigid in their working. Then alone these schemes will be successful; otherwise not.

Mr. Chairman: Shall I call the hon. Minister?

Shrimati Tarkeshwari Sinha: I will take just ten or 15 minutes.

Shri Braj Raj Singh: This may be held over for tomorrow.

Mr. Chairman: We shall go ahead with this today. The hon. Minister.

Shrimati Tarkeshwari Sinha: I am very grateful to the House for giving a general approval to this Bill and for welcoming the proposal. It is a matter of extreme happiness that the House is so much enthusiastic about the growth and development of the small scale industries. I do appreciate the concern that has been expressed in this House just now about the growth of the small-scale industry. My hon. friend, Shri Kalika Singh, pointed out that he was happy to know that the Planning Commission was very much aware of the scope of the small-scale industries.

Therefore we expect that the scope of the small-scale industries will be very much expanded. As my hon. friend inform me, it is going beyond Rs. 600 crores. I hope the whole House would welcome this expansion.

Some hon. Members have raised certain fears about regional disparity. The Government is very much aware of this regional disparity. So far as

small-scale industries are concerned and also so far as bigger industries are concerned, the Government is very much aware of the regional disparities and we want to reduce these regional disparities. The expansion of bigger or basic industries depend on the cost of production, the availability of raw materials, nearness to ports or communication or other facilities and so on. Therefore, it is the Government's desire and Government's efforts have been that all these small-scale industries should be diverted to those areas where there is not much scope for the bigger industries to flourish or prosper. Therefore, this argument that the Government is not much concerned about mitigating the regional disparities in industries is not, I think, proper. Government is very much aware of the regional disparities in the economic status of the States and the people there, and all efforts are being made to see that more and more small-scale industries develop in those areas where the people have not much scope to develop bigger industries.

Some hon. Members, though they have supported the Bill, especially Ch. Ranbir Singh, have raised certain points about the development of co-operative industrial ventures. Well, we cannot say that we are satisfied with the progress that the co-operative industrial ventures have made in this country. There is much more scope for these industries to flourish and prosper. It will be the unanimous view of the Parliament, the Government and the people at large that co-operative industrial ventures should progress and more and more co-operative industrial units should come into existence and work successfully.

I would like to invite the attention of the hon. Members to the point raised about credit limits. So far as credit limit is concerned. So far as limits fixed by Central Government even as they now stand are not unreasonable. It is our experience that these limits are not being

exhausted. The total short and medium terms loans granted by agricultural co-operatives or primary societies are now of the order of Rs. 125 crores and a major part of this is financed by the Reserve Bank.

I would like to invite the attention of this hon. House to the discussion which was held at the last conference at Mysore of the Registrars of Co-operative Societies. In that Conference a proposal was put forward and accepted, that an expert committee should be constituted to study this problem further. That committee was constituted and it is studying the whole problem in detail. The House should await the report of that committee.

Apart from that, I would like to invite the attention of this hon. House to the report of the working group for industrial co-operatives set up in September 1957. This working group confined its enquiries to the six boards which are at present functioning in this country—the Coir Board, the Khadi and Village Industries Board and others. The entire scope of functioning of these six boards is being covered by that group. They submitted their final report in July 1958. That is quite a voluminous report and it consists of many recommendations relating to various items. There is not much time to give all the details. Hon. Members if they are interested can find out from the library the report which contains the recommendations of this working group. But I am sure the House is interested to know this, because, the hon. Member raised the point about the borrowing limit. He said that the limit should be liberalised still further. I would like to draw the attention of the hon. Member to the very important recommendation—it is recommendation No. 20—of that report, on which the Government took a decision. The working group recommended to the effect that the relaxation of the maximum borrowing limit fixed at eight times the paid-up share capital and reserve fund is not advisable. That was their recommendation. But

[Shrimati Tarkeshwari Sinha]

the Government did not accept that recommendation fully. Government was of the view that there need not be a rigid stipulation in the matter of the maximum borrowing limit of the industrial co-operative societies and that this should be best left to be decided by competent authorities from time to time, seeing to the requirements. I think that meets the objection of the hon. Member, Ch. Ranbir Singh, in regard to the scope of the maximum borrowing limit, because it is left to the competent authority or the institution, to see the individual cases and decide the borrowing capacity of the individual unit and the maximum limit of the borrowing for that institution to the merit of that institution. Therefore, this has been a very liberal rule and it is not at all a rigid approach to the problem.

Then, Shri Raghunath Singh went beyond the scope of the Bill. It is not the purpose of the Bill to cover all the small-scale industries. My Ministry is not very much concerned with the day-to-day deliberations of working of the Small Scale Industries Corporation, because it comes within the purview of the Ministry of Commerce and Industry. But because the House is interested in this and the Reserve Bank indirectly is very much interested in the growth of the small-scale industries, I might venture to say on my own, that though Shri Raghunath Singh, I believe, raised the points which did not come under the scope of the present Bill, his points are very much appreciated. It is really the need of the day to diversify these industries to provide incentive to the smaller units in the small-scale industries, and we must really develop our industries in such a manner that our industries should feed simultaneously the small-scale and the bigger industries. The small industries should act as a feeder to the big industries, if they can work properly, and if they can, without affecting the quality or the standard of the goods, or work without affecting productivity. So, I

appreciate that proposal. But I am not in a position to go into the details about what he suggested, because they do not come under the scope of this Bill.

Then, Shri Kasliwal raised certain points about the State Financial Corporations. All the points that he made do not come under the purview of this Bill. He questioned about the scope of the State Financial Corporations. I would like to point out one thing from my knowledge, and that is, the State Financial Corporations really do not cover the bigger industrial units. I may inform the House that the definition of the small-scale industries is that an industry with less than a capital investment of Rs. 5 lakhs, excluding the welfare or housing schemes, is a small-scale industry. Industries having a capital investment from Rs. 5 lakhs to Rs. 2½ crores are defined as medium-sized industries. Industries with a capital investment of above Rs. 2½ crores are defined as big industries. The hon. Member may be aware of the nature of the statutory provision that we have made in regard to the State Financial Corporations. A convention has been established since long, with the formation of the State Financial Corporation—and this convention has been working since 1954—that the loans up to Rs. 10 lakhs will be entertained by the State Financial Corporations, and loans above Rs. 10 lakhs will be entertained by the Industrial Finance Corporation. So, there is no duplication of the administration of the State Financial Corporations or the Industrial Finance Corporation. Therefore, that objection which the hon. Member has pointed out . . .

Shri Kasliwal: The hon. Minister has completely missed the point. The point that I was making was, while she confined herself only to small-scale industries, now, when she says that even Rs. 10 lakhs can be given, the question of medium-sized industries also comes in..

Shrimati Tarkeshwari Sinha: The points raised by the hon. Member is not within the scope of the Bill. It was for the benefit of the hon. Member that I took the chance of replying to him. Otherwise, there was no need because clause 4A only says:

“(4A) the making to any State Financial Corporation established under the State Financial Corporations Act, 1951, of loans and advances payable on the expiry of fixed periods not exceeding eighteen months from the date of such loan or advance, against securities of the Central Government, or of any State Government, of any maturity, or against bonds and debentures issued by that Corporation and guaranteed by the State Government concerned and maturing within a period not exceeding eighteen months from the date of such loan or advance.”

This is the purview of the Bill, on which the hon. Member could have raised certain objections. He has taken entirely different aspects.

Regarding the rate of interest, and the point that the rate of interest is yet high to cover that risk which the State Finance Corporation has to take, I would like to invite the attention of the hon. Members to the rate of interest on loans provided by the Small Industries Corporation. They provide loans with a very low rate of interest. Even the State Bank provides loans at a rate of interest which, though not very low, is quite reasonable. As I said in my earlier speech, 4,225 applications have been already received upto 31st December, 1959 by the State Bank of India office.

17.17 hrs.

[MR. DEPUTY-SPEAKER *in the Chair*]

Shri Sarhadi raised the point that the scope of this should be extended.

I am in great sympathy and agreement with his point. Let me assure the House that though this scheme is to be brought into force only in a few important districts to begin with—21 districts—they have been chosen primarily for the implementation of small-scale industries in those areas. I may assure the House that we do not propose to confine the benefits of this scheme permanently to a few areas only. Our intention is to broad-base these activities and therefore, for this purpose, the Reserve Bank is creating a special cell for expanding these activities. That cell will review the position continuously and will be extending the scheme territorially as and when it is desirable or possible, because there are so many limitations like financial consideration. We have to see how far we can progress with the limited resources that we have.

It is really not necessary for me to emphasise that the small-scale industries by their very nature have to be treated on a special basis. They are being treated even in countries like USA and Japan on a very special basis and all possible help is being extended to them. And I do not think that in trying to solve some of the special problems of the relatively small and unorganised units in our country, we are providing State aid in a greater measure than what is being provided in USA or Japan.

But I would like to add a word of caution. Any assistance that we might provide can only be temporary or marginal, because once the industries have been established, they should make it a point to run these industries on economic and efficient lines. They should not go on depending on certain guarantees and state help. Even if they receive help, from the very start they should run their industries on economic and efficient lines and should not all the time depend on State help or institutional help.

Shri Kalika Singh: But the word "temporary" is not mentioned in the Bill.

Shrimati Tarkeshwari Sinha: I did did not mean "temporary" in that sense. All that I meant was that by the very nature of it, it cannot be a permanent measure. Every day some new industries might be coming up and they might be needing financial help. What I am saying is that an industry which is getting this guarantee from the Government should not make it a point to take this guarantee for an unlimited period. That is a word of caution to the industries themselves. There is no bar put by the law, by this amending Bill, against any industry taking a guarantee for a long time. I did not use the word "temporary" in that connection. What I meant to say is that the industries, when they get guarantee or help from such institutions, should not really make it a point to go on depending on that help or guarantee for an unlimited period. It is far better for the industries to start with certain help and then go on developing or extending their activities in such an economic and efficient way that they depend on the governmental help or guarantee less and less.

I would not like to take more time of the House. But before I conclude, I would like to say that the situation will be watched with great interest and where we find any lacuna or where we find difficulties in the working of this guarantee scheme we shall try to see that the lacuna is rectified. With these words, I once again thank the hon. Members and I am sure that the unanimous approval and encouragement that the House has given to this amending Bill will go a long way in encouraging small-scale industrialists who want to prosper or build up industries in this country.

Mr. Deputy-Speaker: The question is:

"That the Bill further to amend the Reserve Bank of India Act, 1934, be taken into consideration."

The motion was adopted.

Now the question is:

"That clause 2, clause 1, the Enacting Formula and the Title stand part of the Bill".

The motion was adopted.

Clause 2, clause 1, the Enacting Formula and the Title were added to the Bill.

Shrimati Tarkeshwari Sinha: I beg to move:

"That the Bill be passed"

Mr. Deputy-Speaker: The question is:

"That the Bill be passed"

The motion was adopted.

BUSINESS OF THE HOUSE

Mr. Deputy-Speaker: We will now take up the next item in the agenda, the Report of the Hindustan Shipyard Limited for the year 1958-59. Is Shri T. C. N. Menon present in the House? No. Neither Shri Bhadauria nor Shri Badakumar Pratap Ganga Deb Bamra is present in the House. We will take up the next item.

The Minister of Parliamentary Affairs (Shri Satya Narayan Sinha): Before you take up the next item, with your permission, I would like to make some announcement formally. Today morning the Speaker hinted that hon. Members have demanded discussion on the joint communique issued by the Chinese Premier and our Prime Minister and so time has to be found for that discussion. This can be done only if the two No-Day-yet-named-motions, for which time has been allotted tomorrow and the day after are cancelled.