

bank strike is going to take place on the 11th of this month. I associate myself with Mr. Gurudas Das Gupta that the Minister should try to call upon all the organisations of bankmen and bankers to bring about a settlement on that.

SHRI SATYA PRAKASH MALAVIYA: Sir, the Minister is here. You can ask the Minister. He can react.

SHRI GURUDAS DAS GUPTA: Sir, his stony silence is not a sign of wisdom. Let him react.

THE VICE-CHAIRMAN, (SHRI MIRZA IRSHADBAIG): If he wants, he is most welcome.

SHRI EDUARDO FALEIRO: Mr. Vice-Chairman, Sir, let me say here that I am taken utterly by surprise by this mention of this particular situation here in this House. I am taken utterly by surprise at this point of time, but then I am reacting candidly and for myself to the issue which has been raised. I will just make two points. Point No. 1 is that I have gone out of my way and I think it is my duty to do so to talk to the employees as such or to their representatives and unions. I have gone out of my way and I think it is my duty to do so and I will continue therefore on this path and therefore I am always available to discuss this matter with the employees as such and with their unions and much more so with my colleagues in Parliament, like Shri Gurudas Das Gupta and Shri Ashish Sen. That is point number one. In regard to point number 2 I would like to make this plea. I have a fervent plea, which I have been making to the unions and employees, please understand that when you go on strike when you disturb the functioning of the banks, you see nobody suffers, but number one, the customers of the bank and number two, the employees themselves, they them-

selves suffer, and suffer materially. Therefore do not resort to strike unless you have, number one, a legitimate grievance, which in this case does not exist. (Interruptions).

SHRI GURUDAS DAS GUPTA: You are imposing the strike.

SHRI EDUARDO FALEIRO: This does not exist in the context of the informal exchange of views. I have had with two hon. M.Ps, and then, in any case, as I have said, please do not make the people of this country suffer, please understand that you are a privileged class. You may discuss about your wages, but can anyone dispute that bankers are a privileged class in our country, where we have millions of people who are poor. (Interruptions). Please don't do this.

SHRI GURUDAS DAS GUPTA: Why have you given them more. I agree with you but why is it that in some banks you have given more than agreed to in the bipartite agreement.

SHRI EDUARDO FALEIRO: I have already said. Then you know my views. I am prepared to talk to you and discuss this matter.

SHRI GURUDAS DAS GUPTA: Sir, I suggest that you announce that there will be a meeting of the trade unions with the Minister. Are you agreed to a meeting? You call them to a meeting in Delhi and don't leave it to the bureaucrats.

THE VICE-CHAIRMAN (SHRI MIRZA IRSHADBAIG): Please sit down. You meet the Minister in his chamber and discuss.

We will now take up the Small Industries Development Bank of India Bill, 1989.-

SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA BILL, 1989—Contd.
SHRI J. P. JAVALI (Karnataka): Mr. Vice-Chairman. Sir, this is my maiden speech. I am making this

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maiden speech after being a Member for more than one year and four months. Now I stand before you to support the Small Industries Development Bank of India Bill, 1989. This was a long-felt need. There was a demand for such a bank for many years. I am very happy now that the Government has come forward to establish a bank specially meant for small industries, cottage industries and tiny industries. This is going to be an apex financial institution, which is not only going to be a bank but a development bank, a bank which is going to encourage more and more small industries to come up. About this I would like to make some observations as well as give some suggestions.

Sir, this bank is going to be a subsidiary of the Industrial Development Bank of India, I do not know why this is going to be a subsidiary instead of an autonomous, independent bank. In this regard I would like to make a mention of what the other day Mr. Kamal Morarka made a special mention about, namely, subsidiary banks of the State Bank of India. There are seven subsidiary banks of the State Bank of India. Because they are subsidiary banks, they have not grown and have not achieved the progress that they should have, compared to other nationalised banks. Also, a very peculiar feature of that is that though they have the talented people, none from these seven subsidiary banks has grown to be the Chairman and Managing Director, and there is a setback here. Therefore I suggest, that this bank should be made an independent and autonomous body. In case the Government has any difficulty or problem to make it autonomous and independent bank, at least after six months this may be converted into an autonomous and independent bank.

Its capital base is said to be Rs. 250 crores. If we look at the industries which are sick, when we look at the amount that is stuck up in the sick industries, which is something like Rs. 1500 crores, this amount of Rs. 250 crores as the capital base is not sufficient. This may be increased to Rs. 500 crores or even Rs. 1000 crores.

In the Bill it is proposed that the Chairman and Managing Director of IDBI is going to be the Ex-Officio CMD of this bank. I do not know why the IDBI Chairman should be again the Chairman of this bank. Is it that we lack in talent? Is it that we cannot afford an independent Chairman and Managing Director? I suggest that an independent Chairman and Managing Director be appointed for this bank.

The office of this bank is going to be at Lucknow. Lucknow is not a central location. I do not know what made the Government think of locating its head office at Lucknow. I suggest that the head office of this bank should be at a central place. Even Delhi would do. Otherwise you make, it Hyderabad or Bangalore as the head office of this bank.

In this Bill it is proposed that there are going to be 13 Directors, and also SC/ST would be given representation. I suggest that people who are in the field, may be the representatives of the Chambers of Commerce or Small Industries Association or Handicrafts Association, be nominated as Directors. Here I would like to make an observation. "We have 21 nationalised banks. As far as my knowledge goes, since 1984 none of these banks is having non-official Directors. What has prevented the Government from appointing non-official Directors when you have made provision for appointment of non-official Directors? It is another way of associating people who are

outside the purview of the Government sector. Why have you not appointed them? Similarly, same thing should not be repeated here. You say that you are going to have 13 Directors and some Directors are going to be non-official Directors. But ultimately if the Government does not associate itself in appointing non-official Directors, the functioning of this bank would suffer.

Small-scale industry has a very vital role to play. We are told that 50 per cent of production is from small-scale industry. In the export performance also, 40 per cent of exports is from small-scale sector. And this industry is providing jobs to 37 million people. Next to agriculture, small-scale industry has a great potential in providing millions of jobs to our unemployed teeming millions. The problem is, most of these small-scale industries are concentrated in and around the State capitals or bigger cities. Such concentration has resulted in migration of people from the rural areas from the villages, and, consequently, slums coming up in the bigger cities. Therefore, there is this lopsided development of this sector. It is because, as I said, most of these industries are concentrated in the bigger cities. Now that this Bank is going to be not only a Bank but a Development Bank also, the Government should see to it that the small-scale industries are widely spread all over the country. We should identify more growth areas in the smaller towns and see that small-scale industries come up there. For this, the Government should come out with all assistance and help.

The small-scale industries have been playing a very significant role. At the same time, many of these industries, in addition to the big industries, are sick. It is said that something like two lakh units are sick. The amount involved is Rs. 1,500 crores. Of course,

compared to the medium and big industries, where nearly Rs. 4,000 crores, is locked up. This is not a big amount. But something has got to be done in this regard. What we have been observing is that, from year to year, the number of sick industries is increasing. Why is it increasing? Why can't it be curbed? Now that this Bank is coming up, it shall be the responsibility of this Bank to see that a solution is found to this sickness. Of these industries, there may be some which are already dead and there may be some industries which are terminally sick. In the case of those industries which are dead and which are terminally sick, the Government should come out with some bold plans to see that they are closed once for all. Where the units are viable, the Government should come out with all assistance and see that the units are revived.

Sir, the Government should have a time-bound programme. We have been talking about this sickness for some years now. I suggest that we should have a time-bound programme in this regard. At least within a period of two years, we should see that this sickness is completely removed. It is not that all industries are always healthy. But the percentage of sickness should be limited. The small-scale industries become sick due to various factors. This is also because of the wrong policies of the Government. There is also the problem of shortage of raw materials and so many other things. The Government should take care to see that, as far as possible, these industries do not become sick. The people who enter this field for the first time would be lacking in experience. If they make some wrong move or adopt some wrong policy, the industry lands up in sickness. The small units are such that the cushioning effect is also not there. Some wrong policy, something

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going wrong, lands the unit in trouble. Therefore, this Bank should take this aspect into consideration and take measures to see that these units do not end up in sickness.

I hope this Bank will not merely be a Bank of moneylender but this is going to be a Bank which is going to take up promotional and developmental activities in the case of the small-scale industries. As I said earlier, you should see that the small-scale industries, the tiny industries and the cottage industries are spread all over the country. I would like to say that the small scale sector has played and has got to play a very vital and important role. So, the Government should come out with all assistance and help and see that every year a large number of new units come up. They will also find a solution for unemployment problem.

Shri M. Visvesaraya, the great statesman and engineer, had given a call, "Industrialise or perish", but we can add to this, "Industrialise and flourish".

THE VICE-CHAIRMAN (SHRI MIRZA IRSHADBAIG): Now the House stands adjourned for lunch till 2.30 P.M.

The 'House then adjourned for lunch at thirty-one minutes past one of the clock.

The House reassembled after lunch at thirty one minutes past two of the clock. The Deputy Chairman in the Chair.

THE DEPUTY CHAIRMAN: The Home Minister.

STATEMENT BY MINISTER

Regarding 4th, 5th, 6th interim reports and final report of Kudal Commission of inquiry on affairs of Gandhi peace foundation and connected organisations.

THE MINISTER OF HOME AFFAIRS (SHRI BUTA SINGH): Madam, the Lok Sabha passed a Resolution on 28th August, 1981, recommending that any action to tarnish the name of Mahatma Gandhi be taken serious note of and that the acts and activities including publications, sources and misuse of funds of the Gandhi Peace Foundation, Gandhi Smarak Nidhi and Ali India Sarva Seva Sangh be inquired into by a Commission of Inquiry. A Commission headed by Mr. Justice P. D. Kudal was accordingly set up on 17th February, 1982 under the Commission of Inquiry Act, 1952.

The Commission was required to complete its inquiries and report to the Central Government within a period of six months. The work however took much longer than anticipated and the life of the Commission was extended from time to time till 31st January, 1987 when its tasks were completed.

The Commission submitted Six* Interim Reports and a Final Report. The 1st, 2nd and 3rd Interim Reports of the Commission alongwith a Memorandum of Action Taken on each report have already been placed on the Table of the Lok Sabha on 4th December, 1985 and 7th May, 1986 respectively. The 4th, 5th, 6th Interim Report and a Final Report of the Commission alongwith Memorandum of Action Taken were placed on the Table of the House yesterday.

4TH INTERIM REPORT

The 4th Interim Report of the Kudal Commission was submitted to the Government on 16th December, 1985. This report covered 25 cases. Out of