

areas in order to take advantage of the I. D.B.

As far as interest is concerned, it has to be on the outstanding amount. To that extent, if the interest amount also does not get paid, it will have to be charged interest.

**श्री जगदीश प्रसाद माथुर :** इस सदन में माननीय उद्योग मंत्री ने उद्योग मंत्रालय की बहस के समय सदन को सूना दी थी कि देश के अंदर स्माल स्केल सेक्टर से 35 परसेंट उत्पादन होता है। उन्होंने इस सेक्टर में लघु उद्योगों के लिए एक सेक्टर में बांधा है। ऐसी स्थिति में क्या वित्त मंत्री यह उचित नहीं समझते कि वह रिजर्व बैंक को इस प्रकार के इंस्ट्रक्शन्स दें कि लघु उद्योगों को लोन देते समय उनकी उत्पादन क्षमता को देखते हुए जो लोन भविष्य में दिया जाय, उसमें 50 परसेंट लोन लघु उद्योगों को ही दिया जाय ?

**SHRI P. C. SETHI :** Sir, as far as the Reserve Bank is concerned, they introduced a credit guarantee scheme in July 1960 for the small industries. This was meant particularly for the small-scale industries, and the limit of Rs. 5 lakhs has also been raised to Rs. 7½ lakhs. According to the revised scheme of the Reserve Bank which has been further liberalised, all eligible advances by approved credit institutions will be guaranteed without individual applications to the guaranteeing organisation. Therefore, the guarantee from the Reserve Bank is almost automatic as far as the small-scale industries are concerned. With regard to the fixation of the limits for credit, it will have to be flexible so that the economic needs of the country in the various sectors will be kept in view.

**श्री जगदीश प्रसाद माथुर :** यह सेक्टर ज्यादा उत्पादन कर रहा है, इसलिए इसको बढ़ाने के लिए आप क्या करना चाहते हैं ?

**SHRI P. C. SETHI :** More than 50 per cent of the national income or production comes from the agricultural sector and naturally this sector cannot be starved. Therefore, the various economic needs of the different sectors will have to be met.

**SHRI DALPAT SINGH :** Sir, the hon. Minister said that the flow of funds to the small-scale industries has increased. May I know from him the percentage of increase that took place in the last six months—what it was before six months and what it is now ? Secondly, I want to know the difference in the rates of interest charged by the intermediary banks and by the Reserve Bank from the intermediary banks.

**SHRI P. C. SETHI :** Sir, I just now pointed out that in June, 1969 the total advances from the commercial banks were Rs. 285.60 crores and the figure in January 1970 is Rs. 365.30 crores. So, if you deduct Rs. 285.60 crores from Rs. 365.30 crores, it comes to about Rs. 80 crores and this is the increase in the last six months. As far as the rate of interest is concerned I pointed out that the Reserve Bank gives these loans at 4½ per cent and there is a restriction that they should not charge more than 8 per cent.

#### †IMPLEMENTATION OF THE REPORT OF PAY COMMISSION IN WEST BENGAL

\*129. **SHRI SASANKASEKHAR SANYAL :** Will the PRIME MINISTER be pleased to state the steps being taken for implementing the report of the Pay Commission (Hazara Commission) in West Bengal ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P. C. SETHI) :** The Pay Commission set up by the Government of West Bengal in April, 1967, submitted their final report to the Government of West Bengal on the 31st January, 1970. The recommendations of the Commission are under the consideration of the Government of West Bengal.

**SHRI SASANKASEKHAR SANYAL :** Has the hon. Minister considered the question of making liberal assistance to the Government of West Bengal so that the recommendations which are under examination may be implemented without any difficulty ? Secondly, I would like to know whether, in view of the fact that the non-teaching staff of the non-Government educational institutions have been kept denied for a long time, any *ad hoc* grant as an interim measure will be made at the present stage ?

†Transferred from the 1st May, 1970.

**SHRI P. C. SETHI :** Sir, as far as the report submitted by the Pay Commission is concerned, I have pointed out in my main answer that it is under the consideration of the West Bengal Government and in this year's Budget also they have provided about Rs. 9 crores for this purpose. Sir, they have to take a final decision with regard to the details which they would like to implement.

**SHRI SASANKASEKHAR SANYAL :** When do they expect to complete the examination of the financial and other implications of the report?

**SHRI P. C. SETHI :** We had referred the matter to the West Bengal Government and they have said that it is under very active consideration.

**SHRI KALYAN ROY :** Sir, this Pay Commission which the hon. Minister has referred to was set up in 1967 after a long and bitter agitation by the Employees. After that three years have passed and now the report is there. What is the use of telling that you have referred the matter to the West Bengal Government? You are the West Bengal Government now—no use of passing it on to the Chief Secretary who is your tool. You have to decide ....

**MR. CHAIRMAN :** Please put your question.

**SHRI KALYAN ROY :** I would like to know whether you are going to give them Rs. 53 crores. It is nothing much for the Government of India. Are you going to accept and implement the recommendations, or you will sleep over them for another 10 years?

**SHRI P. C. SETHI :** As far as West Bengal is concerned, it is true that it is under President's rule. As far as the resources for implementing the recommendations of the Pay Commission are concerned, they will have to be found and met from the West Bengal resources. Therefore, to that extent, the local authorities there will have to take a decision about it.

**SHRI PRANAB KUMAR MUKHERJEE :** May I know from the hon. Minister whether the Government of West Bengal had in their memorandum to the Finance Commission on the last

occasion demanded Rs. 53 crores per year to meet the enhanced D. A. and to meet the preliminary recommendations of the Pay Commission and, if so, what is the reaction of the Government thereto?

**SHRI P. C. SETHI :** The West Bengal Government did make a representation. But, Sir, as I just now indicated the Planning Commission and the Government have made it clear that this will have to be met out of the resources of the West Bengal Government.

**SHRI PRANAB KUMAR MUKHERJEE :** They do not have the resources.

**SHRI P. C. SETHI :** We have the devolution of funds. The Finance Commission has to take into account the resources and the additional responsibilities of the States and it is from that point of view that the Finance Commission has included an amount of Rs. 45 crores for this purpose in the Fourth Five-Year Plan period in the devolution of funds.

**SHRI A. D. MANI :** May I refer to the first question of Mr. Sanyal? He asked specifically whether the Government of India would make a definite grant to the Government of West Bengal for implementing the report of the Pay Commission. Sir, the Government of India is responsible for imposing a large number of excise duties which go to raise the cost of living. Therefore, it is their moral duty and obligation to help the State Governments to meet their commitments in respect of the salaries of their employees if their Pay Commission recommends an increase in their salaries. I want a specific answer to the question: whether the Government would accept the demand for making a definite grant to the West Bengal Government and also other Governments, particularly in view of the fact that excise duties are being levied by the Central Government.

**SHRI P. C. SETHI :** Sir, as far as the income-tax, excise duties and other duties are concerned, there is devolution of these funds in terms of the Finance Commission's recommendations, and to that extent, it is covered. Now, as far as the responsibility for the pay-scales of the State Government employees is concerned, the State Governments have also resources and they have their own budgets and incomes. Therefore, the Central

Government cannot take the responsibility of paying to the State Government employees. But certainly, as I pointed out, in the devolution of funds recommended by the Finance Commission, they have taken care of these additional responsibilities of the State Governments and to that extent, the Central Government would implement the Finance Commission's recommendations.

**SHRI A. P. CHATTERJEE :** Sir, I do not understand why the hon. Minister always refers to the Finance Commission. I understand that the Finance Commission was merely concerned with the devolution of certain revenues appropriated by the Centre. Now even in the Budget presented by the Chief Minister of the United Front Government, Mr. Ajoy Mukherjee, he said that about Rs. 50 crores would be necessary annually to implement the recommendations of the Pay Commission. The question now is—and that is a specific question I am asking—what steps will the Central Government take, in view of the heavy burden which is certainly to fall upon the West Bengal Government if these recommendations are implemented, in order to meet at least a part of it. He has referred to the Union excise duties and all that. We know what is the devolution to the States from the excise duties. It is only 20 per cent, nothing more than that. Therefore, the hon. Minister was not correct when he said that as far as the excise duties are concerned, they are all distributed. He gave the impression as if everything is distributed. Only 20 per cent of it is distributed. And I would like to know what percentage of that 20 per cent is going to West Bengal.

**SHRI ARJUN ARORA :** The whole of it should be given to West Bengal?

**SHRI A. P. CHATTERJEE :** Will the hon. Minister tell us what is the amount of assistance which the Central Government is prepared to give in order that the recommendations of the Pay Commission are implemented.

Secondly, will the honourable Minister also say this that as far as the question of implementation is concerned, that question will now have to be decided by the Central Government and not by the West Bengal Government which does not exist? When will this question of implementation be finally considered

and finally okayed by the Central Government? These are the two questions.

**SHRI P. C. SETHI :** I would like to point out that as far as we have ascertained from the Finance Commission, they had given Rs. 45 crores towards inclusion as the anticipated recommendation of the Pay Commission set up by their Government and the break-up of the figures is... *(Interruption)*....Rs. 7 crores in the first year, Rs. 8 crores in 1970-71 and Rs. 9, 10 and 11 crores per year afterwards till 1973-74 and thus it comes to Rs. 45 crores. I would like to point out that this has been allowed by the Finance Commission while recommending the devolution. With regard to the excise duty I have not said that the entire amount is going to the State Government. It is in terms of the recommendation of the Finance Commission that we give them.

**SHRI A. P. CHATTERJEE :** What I said was this that the way the honourable Minister divided this 20 per cent gave the impression that the entire excise duty is divided among the States. What I am asking is this. Out of that 20 per cent what percentage is given to West Bengal? Does the honourable Minister feel that the financial devolution that is made in regard to West Bengal is enough for the State Government of West Bengal to give this benefit of Rs. 45 crores per year to its employees? If not, is the Central Government prepared to give assistance to the West Bengal Government, and, if so, what is that assistance and when is the Central Government going to finally implement it? These are the things to be made clear.

**MR. CHAIRMAN :** Mr. Minister, are you prepared to say anything further?

**SHRI P. C. SETHI :** The honourable Member was referring to the amount of Rs. 45 crores. As far as the United Front Government of West Bengal is concerned, it said that Rs. 45 crores would be required during the course of the Fourth Plan period, not in one year. It is in view of this requirement given by the United Front Government of West Bengal that the Finance Commission had taken it into consideration... *(Interruption)*. The honourable Member is now multiplying it by 5 and is saying that Rs. 45 crores should be given in one year. That was certainly not the recommendation of the West Bengal

Government and the Finance Commission has not taken it that way

**SHRI BHUPESH GUPTA:** When Mr. Ajoy Mukherji was in charge of the Finance portfolio before the fall of the United Front Government, he made a request to the Central Government for a minimum financial accommodation of Rs. 29 crores or so for meeting the Budgetary deficits. And I also took it up with the Government. A letter was written to me that something would be done, that the matter would be considered along with the claim of the other States. May I know whether any decision has been taken in regard to this demand or request for financial accommodation which was a very reasonable demand? Secondly, I should like to know why the Central Government is not coming forward to give the necessary financial assistance to the West Bengal Government because lots of Central revenue come from that State by way of customs, Union excise duties, income-tax and corporation tax. And that is all the more the reason why the West Bengal Government should get its due. It is very necessary to see that the workers and employees are satisfied in order that industries and other things are run quite well.

*(Interruption by Sri Arjun Arora)*

**MR. CHAIRMAN:** No interruptions, Mr. Arora.

**SHRI BHUPESH GUPTA:** What is it, Mr. Arjun Arora? What have you said?

**MR. CHAIRMAN:** No, nothing, Mr. Bhupesh Gupta. You continue with your question.

**SHRI BHUPESH GUPTA:** Mr. Arjun Arora, will you please repeat your supplementary to my supplementary?

**MR. CHAIRMAN:** No, it is not necessary.

**SHRI BHUPESH GUPTA:** Sir, let Mr. Arjun Arora supplement my supplementary. Sir, is it not necessary that the Government should seriously consider the advisability of making the needed funds available to the West Bengal Government so that the recommendations of the Pay Commission can be implemented?

**SHRI P. C. SETHI:** I have already pointed out that the West Bengal Government has provided Rs. 9 crores in its

Budget proposals this year. As far as the recommendations of the Pay Commission are concerned, they are under active consideration of the Government of West Bengal and it is for them to take an early decision. We would certainly again request them to take an early decision on this. As far as the devolution of the funds is concerned, I have pointed out that the Finance Commission has taken care of the recommendation of the United Front Government.

**SHRI BHUPESH GUPTA:** On a point of order I did not utter the words "Finance Commission" because I am afraid of taking that name. When Mr. Tyagi is sitting here, I am afraid of taking that name. I have never uttered the words "Finance Commission". All I ask is whether the Government has decided to give financial accommodation of the order of Rs. 29 crores as requested by Mr. Ajoy Mukherji when he was in charge of the Finance Department.

**SHRI P. C. SETHI:** I do not know to which figure the honourable Member was referring. But according to my figures the United Front Government had worked out the State Government's requirements and put the figure as Rs. 45 crores, and this has been taken care of.

\*324 [Transferred to the 20th May 1970]

†LALA LAJPAT RAI'S STATUE IN DELHI

\*210 **SHRI ARJUN ARORA:**  
**SHRI KRISHAN KANT**

Will the Minister of HEALTH AND FAMILY PLANNING AND WORKS, HOUSING AND URBAN DEVELOPMENT be pleased to state:

(a) whether any decision has been taken about the place where Lala Lajpat Rai's statue is to be erected in Delhi, and

(b) if so, what are the details thereof?

**THE MINISTER OF HEALTH AND FAMILY PLANNING AND WORKS, HOUSING AND URBAN DEVELOPMENT (SHRI K. K. SHAH):** (a) No, Sir

(b) Does not arise.

†Transferred from the 6th May, 1970.

‡The question was actually asked on the floor of the House by Shri Arjun Arora.