

[Shri B. R. Bhagat.] stated during the Budget discussions and also in the other House on some other occasions that his intention is to streamline the administration, to make the provisions more effective in implementation and I think in the coming years we will see the effect of it.

As for the point raised by the other hon. Member, I do not think how that matter is relevant. According to the strict parliamentary procedure, if he wanted to raise a very small issue of a specific nature, he should have informed me earlier so that I would have been ready with the information about that particular matter. He may have some very secret sources and he may have the information but I do not have that information. I have an open source, I could have got the information and I do not know just now the relevance of that matter because I do not know what that matter is connected with, whether it is taxation or whether it is something else but he has tried to connect the Finance Minister with T. T. Krishnamachari and Company. This is a well-known fact here and outside that he had long back dissociated himself from the business and the business is carried on by his sons and others and as in regard to other companies, that is subject to all the regulations and rules of the Government. As he himself says that the file is with the Prime Minister—I do not know about it— but certainly all this matter, if there is anything, will be looked into by the Prime Minister and this goes to prove that the Finance Minister is the last person to have any favour in respect of any company with which his name is associated. If at all, all the regulatory powers or principles will be applied to that matter more rigorously than others. More than that I cannot say. I am sorry that the hon. Member raised this question over a matter like this and tried to connect with the Finance Minister but I think I should like to dispel this and say that personal considerations will not weigh in the administration of this Department

and, I think, the facts, as they are, the implementation of these tax laws, the policies and others go to prove that the Government is only concerned with the national interest and not with the interest of anybody. With these words I move this Bill for consideration.

THE DEPUTY CHAIRMAN: The question is:

"That the Bill to provide for the continuation and validation of proceedings in relation to Government dues and for matters connected therewith, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

THE DEPUTY CHAIRMAN: We shall now take up the clause by clause consideration of the Bill.

Clauses 2 to 7 and the Schedule were added to the Bill.

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

SHRI B. R. BHAGAT: I move:

"That the Bill be returned".

The question was put and the motion was adopted.

THE INDUSTRIAL DEVELOPMENT BANK OF INDIA BILL, 1964— *continued*

SHRI C. M. POONACHA (Mysore): Madam Deputy Chairman, I wholeheartedly welcome this Bill. It has been very wisely conceived, very ably drafted and, may I say, the Bill which is now brought before the House is very propitiously timed? As the Minister himself was explaining to the House at the time of introducing the Bill, about the need in a big way to provide sufficient credit facilities to the various growing industries in the country, it is needless for me to go into those very arguments he so very ably marshalled before this House.

Madam, we have been profiting by certain experiences; we have gathered rich experience during these past ten or twelve years in the matter of giving the much needed impetus to the development of industries in this country, providing the necessary credit facilities, to get the necessary technical know-how, to train the personnel for various jobs at various levels to man these industries and all this has led to a stage from where we have got to take a bold step now, a further bold step in the direction of industrialising this country in a much more vigorous way than we have been doing all these years. That takes us to the position as to how we could do such a thing. In that, the main, the primary consideration would always and naturally be that of finance. We have the experience of having set up certain institutions to finance the industrial growth in this country. Reference has already been made to the Industrial Finance Corporation of India, to the Industrial Credit and Investment Corporation of India and what not, and if we could take a cursory glance over the performances of these various institutions during the last several years, we come to know that they have not been able to do much so far as the requirements in the country are concerned.

The task before us is stupendous, but the facilities, the necessary aids that we are providing for are not to the extent required. The details of the performances of the various institutions, such as the Industrial Finance Corporation of India, the Industrial Credit and Investment Corporation of India, the Refinance Corporation of India and the State Financial Corporations, have all been given in this report of the Ministry of Finance, and in that we could see that after the inception of these various institutions the amount actually disbursed for the development of industries in this country has not been to the extent we need the finance, has not been to the extent the demand in the country. There-

fore, there is an absolute need for an attempt to provide these industries with sufficient credit facilities in a big way, and also to co-ordinate the functions of some of these very institutions which, in a way, were overlapping.

Therefore, this Bill has been very wisely conceived and very timely introduced so as to provide increased credit facilities and also to effect a certain amount of co-ordination, and over and above this—provision has also been made very wisely for planning and to conduct research, and to do such other things which, normally, an industrial concern by itself would not be able to do.

So these are the main functions that this Industrial Development Bank is supposed to do, and in that one could always see the bright hope of providing the much needed credit facilities for the development of industries in this country. And may I say Madam that, while the task ahead of us is a stupendous one so far as the development of industries in this country is concerned, the way this Industrial Development Bank is going to be provided with resources has been rather a bit halting? I am not satisfied with the proposal that is contained in this Bill to provide a capital of only ten crores of rupees to start with. This is totally insufficient keeping in view the requirements that this particular bank will have to cater to. There are various provisions in the Bill to provide sufficient resources for the functioning of this bank, no doubt. And what are those resources? The resources are that the Reserve Bank itself can grant loans. The bank can raise money in the market by sale of debentures, and what not. It can earn interest on the loans and advances. It can earn commission by discounting bills and other things. These are all the various ways and means position for raising resources for this bank. But, Madam, it would take quite a time for the bank to augment its resources to the extent the demands are there

[Shri C. M. Poonacha.] The demands would be immediate and pressing and in a very big way.

Now we have as many as fifteen State Financial Corporations—more or less every State has a State Financial Corporation. We have as many as seventy-eight. Scheduled banks, and each of them, in its own turn, has done sufficient financing of industries in this country. We have quite a large number of State Co-operative banks—each State has one—and then there are very many other co-operative institutions which are also assisting in the development of industries in this country. Taking into view all the various institutions which this bank has got to finance, the provision of a capital of ten crores of rupees to start with is, in my opinion, not at all sufficient. It would only indicate that, while we desire very many big things, we often-times are inclined to take a halting step and thereby not fully justify the intentions or the objectives that this Bill has in view. Therefore, I would humbly suggest that Government, if they mean real and serious business, should start this institution with a minimum subscribed capital of fifty crores of rupees as mentioned in this very Bill. To start with ten crores of rupees and then go through all the procedures for seeking additional share capital from time to time would always indicate a certain amount of weakness in the whole scheme of things. At the same time it is not going to create the desired type of enthusiasm in the country, the necessary climate in the country that such a measure should always evoke. That would be my first point.

Then I come to the other point and that is about management. I should think that the proposal contained in this Bill to have this organisation under the broad canvas of the Reserve Bank is a very very wise thing, and I am very happy that with this background we are going to start this Industrial Development Bank. But while this is quite acceptable, the other suggestion to say that the same

Board of Directors of the Central Board of the Reserve Bank would continue to be directors of this Industrial Development Bank is not sound and happy for reasons more than one, and much more on practical grounds. I should think that there should be a separate Board of Directors. Otherwise it reduces the strength of the entire scheme contained in this Bill; it weakens the whole thing to a great extent because, at every stage, the policies and the various important decisions that this board of directors would be taking from time to time will have to have the approval of the Reserve Bank itself, and in certain matters approval of the Government also. It would reduce the whole arrangement into a position of force when we say that the same persons who sit as Directors of the Industrial Development Bank would take decisions and again go and sit in another room as Directors of the Central Board of the Reserve Bank and then ratify or disapprove of the earlier decisions taken. It would look rather ridiculous, if I may be permitted to say so. 1 P.M.

Therefore a certain amount of autonomy should be given to this Industrial Development Bank and its Board of Directors should be distinctly separate. Also a certain number on the Board of Directors should consist of functional Directors charged with specific duties. Otherwise what would happen is this. Most of the specific duties envisaged under this Bill would have to be the charge of some of the existing functional Directors of the Reserve Bank. In addition to their own duties they will have to take on the other specific duties envisaged in the scheme of things in this Bill, and that will be an additional charge. Whether they will have sufficient time to bear the additional burden, whether those who are already burdened with very heavy and onerous duties relating to the affairs of the Reserve Bank, would find sufficient time and energy to take up the additional responsibilities of the In-

dustrial Development Bank, is doubtful. What will happen? To start with, the scheme may look beautiful and sound, but it may not proceed, with that amount of vigour that we all wish for and that we all would like. Therefore, my suggestion would be that all the Board of Directors of the Industrial Development Bank should be separate, that they should form a distinctly separate Board. This bank is, of course, a subsidiary of the Reserve Bank and it will be under the broad canvas and control of the Reserve Bank. And that is very good. But the management should not be the same, because in that case from many considerations, the administration would not be successful to the extent that we desire. Again there would be an element of doubt as to whether the vigilance and control which we are going to exercise over this institution would be properly administered. That is the crux of the problem. Therefore, I suggest to the Government to seriously consider this point and find out whether a separate Board of Directors should not be constituted for this Industrial Development Bank under the scheme that they have already drawn up.

As for the other things, I wholeheartedly welcome them. There are specific functions which are mentioned as the charge of the Industrial Development Bank, like research, market surveys and so on. Madam, this is a right step in the right direction. In clause 9 it is stated **that** among other things the functions of the Industrial Development Bank will be—

"undertaking research and surveys for evaluating or dealing with marketing or investments and undertaking and carrying on techno-economic studies in connection with the development of industry;"

As I was saying, experience has taught us that the pattern of industrial growth in this country has not gone on on a broad-based pattern. In certain specific lines industrial deve-

lopment has taken place while in certain very essential lines the industries are not able to take firm roots in this country, because of lack of capital, lack of technical know-how, lack of certain assistance and aids that are required from the Government or the community. In that regard, this kind of research will certainly reveal the various gaps that we have in the pattern of industrial growth in this country. Besides, I would perhaps lay specific emphasis on the need for developing such industries which have a close bearing on food production in this country. Unfortunately, entrepreneurs in this country have always looked—and this happens naturally in every country—to the profit element in the various investments they make. Wherever the profits have been substantial, attractive and lucrative, those lines have been taken up and the course of investments have gone only in that direction, while certain priority industries could not get that amount of facility and encouragement that they needed, because of the fact that the profit yield was rather low. Probably, certain types of industries took greater time to augment its own resources or to earn sufficient profits. Therefore, the enthusiasm and incentive to develop such lines of industry were not there on a large scale. So the duty of this institution would be to take up such industries and to give special assistance for the development of such priority industries.

THE MINISTER OF PLANNING (SHRI B. R. BHAGAT): That is mentioned there.

SHRI C. M. POONACHA: Yes, I shall come to that. Therefore, what I want to suggest is that in the categorisation of such industries, those industries which have a close bearing on food production in the country, will have to be given top priority. We have been all hearing how food production in this country has not touched the desired target. There is serious short-fall in every direction and this is mostly due to the fact that certain

[Shri C. M. Poonacha.] basic mechanised programmes could not be undertaken as far as agriculture was concerned. Because the required machines were not either produced in this country or no entrepreneur was coming forward to establish such industries. Therefore, we find there was a total neglect of the development of those particular types of industries which would assist the production of food in this country in a direct way, in a more vigorous way. Therefore I desire that this institution should certainly give the top-most priority to those types of industries which have a direct bearing on food production in this country.

Next, and in the same line, you have the food processing industries. We have abundant scope for a variety of food processing industries. It has been mentioned to me when I had occasion to visit the Central Food Technological Research Institution at Mysore—CFTRI—that a good many of the results which they had standardised in their laboratories in this research station have not been taken advantage of by the industrial sector. Though they had tried to put them through and they had worked **out** the economics of the process, and proved its success, yet the enterprising effort is not at all there to take advantage of the various research results obtained at the CFTRI. As far as the food processing line is concerned, our country requires colossal quantities of these processed foods. Modern processing has a variety of other things connected with food production and so the food processing should be in the line of priority items of industry which will have to be helped directly by this Institution.

• Now, Madam, some care has to be taken in the direction of planning. Rightly or wrongly, in the matter of planning also, if we were to conduct a survey of the way industries have developed in this country, we would

find that in certain areas there is a heavy concentration of industries. Industries have been allowed to concentrate in certain specified areas. That also is not a healthy sign and the dispersal of industries and the rural industrialisation programme should also be the main concern of the Bank which is now, under this Bill, to be established.

Coming to one or two other very minor points, Madam, I would refer to what we call a very minor point coming under the heading miscellaneous. You will find, I think, in clause 26 (2), a very interesting proposal. To start with, the required officers as well as the ministerial staff would be provided from out of the staff of employees and officers now working in the Reserve Bank of India itself. Naturally it has to be so, it could not be otherwise because you cannot start an institution like this with inexperienced staff. We should have experienced officers, experienced ministerial staff, accounting sections and what not but what is worrying me is this. As it has happened in very many other sectors, whenever you have such bifurcation and the staff is put on to a new organisation, there is an argument to say that it is deputation, on foreign service and to **claim** the deputation allowance of twenty per cent, straightway. Now, working under the same roof, probably in the next room, by merely providing a separate compartment of an Industrial Bank organisation working under the roof of the Reserve Bank of India, the officers, the staff and others getting a twenty per cent plus on their emoluments would not be in keeping with the spirit of the Bill that we have before us. This has led to a variety of complaints, an unending variety of complaints, this particular procedure of granting deputation allowance to staff whose services are lent to other organisations. One can understand if by such deputation one has to change his place of residence, one has to go away from his place of residence and

thereby incur inconvenience of distant place travel. One can understand such a proposition but in this case, I am sure the officers connected with the formation of the Bank in the initial stages will take due care to see that such things do not happen. I am not complaining¹ or grouching against this grant of twenty per cent, but this practice has led to a good amount of abuse. It has led to a certain amount of favouritism. An officer goes and the entire line of his favourites are picked up and it is only they who get this twenty per cent. Then there is such a clamour and rush for this deputation business, influence is brought upon from every quarter to have a person sent on deputation. This would start with, be a very unhealthy beginning and I am sure that such a thing will not be allowed. Whatever it is, the terms of deputation should be on the very clear understanding that whatever has been the emoluments now paid to the officer or the ministerial staff in the Reserve Bank would be the emoluments and nothing else. Otherwise, to start with, I am sure there would be a good deal of murmurings which you will hear. I would very much wish that such things should be and could be avoided.

Then again there is a very small point in clause 27 in which by a general or specific order the Board may delegate to any committee of directors or to any director or to any officer or other employee of the Development Bank such of its powers as it may deem necessary. I can understand this delegation of powers for a specific purpose and this could be done up to the level of the officex¹ class but I do not understand why they have thought it proper to extend it to other employees also. I do not know whether the ministerial staff is expected to take the responsibility of discharging delegated authority. This is wrong. I think this is a matter which must be looked into. It is not necessary, uncalled for, that such a

delegation to lower level employees should be there. It could be as far as the officer level is concerned. We can understand that the officer needs to be given a certain amount of power and so the delegation of powers may be there but it should not be to the general class of employees.

Madam, I have in brief given my own views about the various provisions contained in this Bill. I wholeheartedly welcome this Bill and I expect that the Bill will have the unanimous support from this House. I commend this Bill and give my support to it.

SHRI D. L. SEN GUPTA (West Bengal): Madam Deputy Chairman, I am conscious of the undeveloped economy of this country. I am also conscious that an Industrial Development Bank should be there to finance industrialisation wherein lies the remedy of many of the ills we are suffering from, namely, unemployment, social inequalities and all the rest of it but is this the type of Bill that we should support? If I place before you certain clauses that I will make my position very clear. If you kindly see clause 2 of the Bill, you will find that clause 2(a) defines the Board of Directors of the Development Bank. There is nothing wrong in it but clause 6 says that the Board shall consist of such persons as for the time being hold office as Directors on the Central Board of the Reserve Bank. The Board of Directors of the Reserve Bank shall be the Directors of this Bank. So let us now apply our mind and see what the provisions are there in the Reserve Bank of India Act, 1934 so far as their Board of Directors is concerned. Section 8A of the Reserve Bank of India Act, 1934, says:

"The Central Board shall consist of the following Directors, namely:

- (a) A Governor and two Deputy Governors to be appointed by the Central Government;

[Shri D. L. Stn Gupta.]

(b) Four Directors to be nominated by the Central Government one from each of the four Local Boards as constituted by section 9;

(c) Six Directors to be nominated by the Central Government; and

(d) One Government official to be nominated by the Central Government."

Reverting to the four Directors to be nominated by the Central Government one from each of the four Local Boards as constituted by section 9, it is my duty to place section 9 also before the House so that we know who these four persons are. It says:

"A Local Board' shall be constituted for each of the four areas specified in the First Schedule and shall consist of five members to be appointed by the Central Government to represent as far as possible territorial and economic interests and the interests of co-operative and indigenous banks."

So the Central Board of the Reserve Bank of India consists of fourteen members of which four will be nominated one from each of the four zones and six will be nominated by the Central Government. If you look at the position of these ten nominated persons you will find that they represent certain big interests, big business houses, and this has been the chief reaction of the monopolistic tendency in this country. Different interests are not being represented in the Reserve Bank. Only certain particular class interests are being represented there and as I said it is a class within the class. So far as these interests are concerned they belong to one class and in that class you will find a certain class which wants to exploit or override the interests of others in the field as a result of which the big fish are eating the small fish—*matsya nyaya*. You will find that the Industrial Development Bank of India con-

tains in itself a cancer and unless you cure it things will not improve, however much we might like the Industrial Bank to finance the industries in this country. I have no dispute so far as the basic proposition is concerned. I do not for a moment suggest that there should not be an integrated financing system. I am conscious that our capital-market is imperfect but that is no reason why we should make it more imperfect. That being the position—I know I have limitation of time and I shall have to finish by 1.30—I would only like to place before this House the opinion of authorities like Dr. T. Balogh. Dr. T. Balogh is an eminent economist and he was invited to deliver lectures to the National Council of Applied Economic Research. The three speeches delivered by him have been compiled in the form of a booklet entitled "Some Aspects of Economic Growth of Under-developed Areas" and that is published by the National Council of Applied Economic Research, New Delhi. Let us see what he says. He is not a Member of the Opposition like me speaking from a platform for political purpose* So what he says must be considered dispassionately. He says on page 9:

"But in the private sector you . . ."

'You' here means India.

" . . . have four or five families who have an intimate relationship with large parts of industry . . . Those who are in the charmed circle get accommodation and he who is outside the charmed circle does not."

The charmed circle, I have already referred to. And if we are to move in this charmed circle, will it advance the cause of industry and the development of industry in the country? It is not likely to.

Now, a question may be asked, why is it that only a few houses are getting these advantages? It is because they are there in the Reserve Bank Boards or their cousin brothers and by exercising pressure from there they can

influence the decisions in the matter of financing. If we look at clause 9 of this Bill we will find what the functions of the Industrial Bank are. Clause 9 says:

"The Development Bank may carry on and transact any of the following kinds of business, namely:-

(a) granting loans and advances to—

(i) the Industrial Finance Corporation, any State Financial Corporation or any other financial institution which may be notified by the Central GOA eminent in this behalf, by way of refinance of any loans or advances granted to industrial concerns by such Corporation or institution which are repayable on the expiry of not less than three years and not more than twenty-five years."

-So all the institutions are there and they are Government institutions. And who will do this? You are virtually making the Directors of the Reserve Bank to do it. Now, the Reserve Bank is actually undertaking; this industrial financing also. So there is also this question as to whether the Reserve Bank or the Government of India should identify itself with certain industrial family houses like this. Will be conducive to the growth of national interests?

Before I finish I would also like to place before this House a quotation from "Indian Economy—Review and Prospects ' 1962—64". This is an indication to show how in this country, because of this bad economic trend or bad industrial financing, we have landed ourselves. I am reading from page 60:

"In India inflation has been set into motion by the continuance of excess of monetary demand over the flow of goods and services. Excess demand has been fed year

after year by budgetary deficits and sustained bank credit expansion. These have been necessary to finance the investment targets set out in the Five Year Plans. The question, however, arises whether the Government should continue to adhere to investment targets and try to realise them through a set of policies which, in balance, are bound to feed inflation. In the last analysis it is a matter of judgment for the Government to determine whether the price paid for the realization of the investment targets of the Third Plan in the form of higher prices is high or not. This is essentially a political decision and the Government alone can take it after considering its implications in all respects. But to the extent that the Government allows the financing of investment through money creation rising prices are likely to continue."

So with this question of industrial financing the country's interests are directly inter-linked. If you want to stop inflation you have to make up your mind on this question of finance as to whom this finance should go.

THE DEPUTY CHAIRMAN: The House stands adjourned till 2-30 P.M.

The House then adjourned for lunch at half-past one of the clock.

The House reassembled after lunch at half-past two of the clock, THE DEPUTY CHAIRMAN in the Chair.

SHRI RAJENDRA PRATAP SINHA (Bihar): Madam Deputy Chairman, we have before us the Industrial Development Bank of India Bill. I welcome this measure because it comes to us as a reflection of the awareness of the Government to the problem that is facing the industrialisation of the country. I also welcome it because this Bill is a departure from the previous approaches to the prob-

[Shri Rajendra Pratap Sinha.]

lem of finding finances for the growth of the industries. Our objectives for the development of industries are set out in the Five Year Plans and also in the Industrial Policy Resolution. We have set before us the various targets that we have to achieve in respect of the industrial development of the country. We want growth no doubt, but we want growth with justice. We want to develop our industries no doubt, but we want that the economy should develop not vertically but horizontally. Now, we have to examine whether this Bill will help in the achievement of this objective, the objective of growth with social justice and I submit that if we examine the provisions of this Bill, we will find that steps are being taken in the right direction. It is another matter if we fail in its implementation, as we have often failed in the past. I am not one of those who would always smell a rat in whatever proposition is brought forward before this House. I would like to examine it dispassionately and honestly.

We know that the rate of growth in the industrial sector has not been satisfactory. *We have said that the rate of growth should be about 11 per cent per annum, but in this Plan period the rise is not more than 7 to 8 per cent. It was envisaged that we would require about Rs. 1800 crores in the public sector and about Rs. 1335 crores in the private sector for developing the industries that have been specified in the Plan. That is the magnitude of the problem. One of the important ingredients for the development of industries is that we must have the resources to develop them. The resources so far came from the managing agency houses to which the *hon.* Minister himself referred. It also came from the capital market, the stock exchanges and the commercial banks. But by a deliberate policy we have decided to do away with the managing agents and the managing agency system. Not only that. Our taxation policy is geared to removing

inequalities and disparities between the rich and the poor. We would like to mop up all surplus profits and also big wealth that may be existing in the hands of an individual not only by means of the Wealth Tax but also by means of the Estate Duty and the Gift Tax. So, these sources, which used to supply money for the industrial development of the country, will dry up and are drying up. The capital market also, as I stated some time ago, is not functioning properly.

I do not want to go into the reasons, - whether they are valid reasons or invalid reasons, but the fact remains that the capital market is not likely to provide the required finances for the development of industries set out in the Five Year Plan. Mr. Bhupesh Gupta was giving figures and I also quoted them to show that the existing financial institutions have been playing a useful role in the growth of our industries and 34 per cent., as Mr. Bhupesh Gupta also stated yesterday, of the total cost of industrialisation came from the financial institutions. They have been playing, as I said, a useful role and I would like that they should play a greater role in the matter of the industrial development of the country.

The resources of the existing financial institutions have been limited. We have to enlarge their resources in order that they may play the role that is expected of them and also in order that there may be a proper replacement and other means of providing capital resources when the managing agency system and the capital market are not going to play the role that they have been playing so far. Now, the Finance Minister in the other House stated that about Rs. 200 crores have been provided by the existing financial institutions to the industries. Now, what are we going to provide in this Bill and which may be available with the Industrial Development Bank for the financing of industries? It is stated that the authorised capital is Rs. 50 crores, but

it may be raised to Rs. 100 crores. The subscribed capital is going to be Rs. 10 crores only. The Industrial Finance Corporation's subscribed capital is only about Rs. 7 crores today and their authorised capital is about Rs. 10 crores. The share-capital resources of ICICI are also more or less of the same amount. I, therefore, submit that the decision of providing only Rs. 10 crores in the capital account of the Development Bank is too meagre a sum. If we want it really to create an impact for the growth of industries in a big way, I consider that at least Rs. 500 crores must be provided in totality which must be placed at the disposal of this Development Bank for financing the industrial growth. If we take this figure of Rs. 500 crores, then in that background we will find that the share capital provision of Rs. 10 crores is very small. I would submit that the entire authorised capital of Rs. 50 crores should be immediately subscribed and immediate steps should be taken, as provided in the Bill, to raise the authorised capital to Rs. 100 crores.

Then I also welcome that we are creating two funds. We are providing a fund known as the Industrial Development Long Operation Fund or something like that, to which will be credited some of the surplus profits of the Reserve Bank before they are transferred to the Central Government. This principle is very good. I welcome this principle of giving a certain portion or a good portion of the profits of the Reserve Bank for the development of industries. But here again I submit that the resources that are proposed to be diverted to this fund are very small. It is proposed that initially they will give Rs. 10 crores and every year about Rs. 5 crores will be put into this fund. That is to say, by the end of the Third Plan we shall have about Rs. 15 crores or Rs. 20 crores in this fund, which is most inadequate. Of course I know that

258 RSD.—5.

Government can grant loan and they propose to grant a loan of Rs. 10 crores interest-free, and they can provide further loan with interest to this Development Bank. Taking all these resources that are going to be made available to this Bank into account, I consider that that will not be enough if we want to proceed in a big way to make up the leeway in the growth of industries in this country. We should not forget that our growth has not been even according to our Plans and we have got to go a long way in order to make up the leeway.

I would also here submit, as I said, while speaking on the Finance Bill, that a fund out of PL-480 should be created, a separate fund under the Development Bank. A revolving fund should be created and Rs. 100 crores may be put into it out of PL-480 for financing industrial development. This matter should be taken up with the U.S.A. Government. Many useful allocations have been made out of PL-480, and I consider that this is one of the most appropriate ways in order to spend the amount accumulated under PL-480.

Now, let us examine whether the small entrepreneurs, whether the new class of business managers who are coming up would take advantage of this Development Bank to help the industries. Madam Deputy Chairman, two provisions have been made in this Bill which are very salutary to help the growth of industries through the new entrepreneurs, particularly the small men, and this is a new departure from the conventional banking practices. Here I find that no stipulation has been made as to the security against which advances could be made. Depending upon the profitability the Development Bank itself will have the discretion to make advances to any party without caring or without attaching too much importance to the securities. They are also entitled to discount bills, trade and commercial bills; that is to say, the advances could be made only on two signatures for a maximum period of

[Shri Rajendra Pratap Sinha.] five years. This, I am sure, because of the five-year period involved, will help the growth of industries, particularly of the new entrepreneurs.

Now if we provide enough resources to this Bank, it could divert the resources for helping the State Finance Corporations. If the State Finance Corporations are helped, this will go to help the small people in setting up industries. My friend said the other day that only about Rs. 18 crores have been advanced by the State Finance Corporations. Now the total advances probably according to the Mahalanobis Committee report are about Rs. 18 crores.

SHRI BHUPESH GUPTA (West Bengal): Rs. 32 crores I think.

SHRI RAJENDRA PRATAP SINHA: You will appreciate, Madam, that this is not adequate and we must provide more resources. That is why I have been pleading that if we can have about Rs. 500 crores placed at the disposal of this Bank, the various State Finance Corporations could get adequate quota from them so that they could help the small men. I would like to help the big companies and the small companies and also the medium class companies. It is not that we are against heavy industrialisation. The important point to consider is who controls or owns those big industries and big companies. So long as the ownership is dispersed through the assistance of the Unit Bank, so long as the Development Bank or the other financial institutions or the L.I.C. and others are big owners in the big industries, in the big companies—which is bound to happen in time to come—I do not object if the Development Bank goes to their succour. We are not as I said, against the establishment of big industries. What is necessary is this that the ownership of these big industries should be diffused or as far as possible they should come under the control of the public sector. Let the management continue with those people who have the skill to manage, but

the control and the ownership should rest either with the public at large or with these financial institutions.

I am very happy that provisions have also been made to accommodate and to finance the export of capital goods. I have no fears, as Mr. Bhupesh Gupta had expressed, that this will help the export of capital. Export of liquid capital will be taken care of under the Foreign Exchange Regulations. What to say of the export of capital, we cannot get Rs. 200 for travel purposes. But if the export of capital goods machineries, manufactured in India takes place, we should welcome it, and if the Development Bank is going to help the export of our heavy industries products, that will be most welcome. Today even we in India always need accommodation, credit accommodation, deferred payment accommodation. Similarly, the other developing countries which are in the process of industrialisation, they themselves would need such credit facilities or deferred payment facilities from India. We are developing our heavy industries, and we should also keep in view that we must develop the export market for these heavy industries. That is only possible if we have the deferred payment facilities and credit facilities provided by the Development Bank.

SHRI BHUPESH GUPTA: We export to other countries. Payment is made by them. What role you want the Development Bank to fulfil in regard to the private sector?

SHRI RAJENDRA PRATAP SINHA: Well, I would like the hon. Member to refer firstly to the definition clause in which the scope has been widened. Both the private sector and the public sector will be benefited by the Development Bank. Now, whether it is a private sector company or a public sector company, whether it is the Hindustan Machine Tools or Tex-maco, it is immaterial. So far as exports are concerned, they will earn foreign exchange. Suppose, machi-

neries are exported by the Heavy-Engineering Corporation or by the Machine Tools Factory or by Tex-maco which is a private company, the purchasing company will always like to have some deferred payment or some credit facilities from the exporting firm. Now, the Development Bank will discount those bills that will be accepted by the foreign buyers. That is how the credit will be operated. When an Indian company whether in the public sector or in the private sector wants to export and the foreign buyers ask that they would like to have deferred payment facility from the machinery manufacturer from outside, the Indian company cannot provide it. The Bank can give them the credit so that they can supply to the foreign countries goods from Indian manufactures.

SHRI BHUPESH GUPTA: That is to say, according to you, we have now to finance the foreign importers so long as they are the importers of our capital goods by way of deferred payment.

SHRI RAJENDRA PRATAP SINHA: We have accepted that in principle and there is nothing wrong in it and always . . .

SHRI BHUPESH GUPTA: I do not know when we have accepted it. But we have so many things.

SHRI RAJENDRA PRATAP SINHA: In the Third Five Year Plan you have accepted the Export Credit Guarantee Scheme.

SHRI BHUPESH GUPTA: To our own nationals?

SHRI RAJENDRA PRATAP SINHA: Not to our own nationals. When we export the credit goes to the foreign buyer. We give money to our own nationals to give credit to the foreign buyer. We give money to the machine tool manufacturer here or the heavy machinery manufacturer here. We want to manufacture a cement plant or a paper plant tomorrow.

Here is the Chittaranjan Locomotive Works. We want to export locomotives. We would like to switch on to diesel engines and to electric engines. Why should we allow the plant to remain idle? We would like to give our steam locomotives to people who buy them. We will give them the finance so that they can export. The Development Bank is after all a subsidiary of the Reserve Bank; the Reserve Bank through the agency of the Development Bank will help them to export our locomotives.

SHRI BHUPESH GUPTA: I see. That is a different matter.

SHRI RAJENDRA PRATAP SINHA: How do you say that this being given to our own nationals? The money is being given to the foreigners.

SHRI BHUPESH GUPTA: You said it.

SHRI RAJENDRA PRATAP SINHA: You did not study it. If you . . .

SHRI BHUPESH GUPTA: Deferred payment.

SHRI RAJENDRA PRATAP SINHA: Deferred payment is certainly for the foreign people, they will have deferred payment. But the Development Bank will give to our own nationals.

SHRI BHUPESH GUPTA: I do not want to interrupt.

SHRI RAJENDRA PRATAP SINHA: We will discuss it further.

THE DEPUTY CHAIRMAN: Mr. Sinha, you have taken 25 minutes.

SHRI RAJENDRA PRATAP SINHA: Now, the other point . . .

SHRI BHUPESH GUPTA: The more, the merrier for the capitalist class.

SHRI RAJENDRA PRATAP SINHA: You want to destroy everything from within and your other friends are

[Shri Rajendra Pratap Sinha.]

destroying from outside. That is the only difference. We want to develop the economy, then we will take care how to distribute its fruits.

Now, I would draw your attention to the Notes given on page 30. If you go through the Notes on clause 9, you will find that it is provided that a person or a company seeking assistance from the Development Bank must first exhaust all avenues before going to the Development Bank. They must go to other financial institutions and if they cannot get a loan, they must come here. If they cannot get underwriting facilities from there, if they cannot get direct equity participation from there, then alone they could come to the Development Bank. This is very clearly explained in the Notes on page 30. It is said:

"Where loans or other accommodation may not be available to any industrial concern from the existing financial institutions or from the commercial banking system the Industrial Development Bank will assist the concern by granting loans . . ."

Then, it says—

"The Industrial Development Bank will underwrite new issues, particularly in cases in which facilities for this purpose may not normally be available . . ."

Now, I know that the IFC and other institutions are going to be helped by this Development Bank. But please do not forget that an entrepreneur, a person who wants to get facilities has first to knock at the door of three or four other institutions before he can go to the Development Bank. Why can't you streamline the entire organisation so that decisions are taken at one place, so that the whole examination takes place at one place and then decisions are taken as to which loans are to be given or underwritten or how much of the underwriting should be done by the Development

Bank and how much by the other financial institutions?

In the case of granting of industrial licences and other things, there has been streamlining as a result of the recommendations of the Swami-nathan Committee. I submit, let not a person knock at several doors and waste his energy and time before he comes to the Development Bank. Administrative arrangements must be made in such a manner as I said before. After all, the IFC is going to be more or less a subsidiary of the Reserve Bank. Of course, the ICICI is a private company; the Industrial Development Corporation is also a semi-Government institution. Therefore, it is important that there should be proper administrative arrangements in all these financial institutions so that a man makes one application, it is examined by all those institutions concerned and they make up their minds as to how the money is to be provided, either by way of loans or underwriting or equity participation by the different financial institutions.

THE DEPUTY CHAIRMAN: You have taken half an hour.

SHRI RAJENDRA PRATAP SINHA: I will take five or seven minutes more.

There is one point which I would like to urge upon. It is provided in this Bill that the Development Bank will conduct all kinds of researches, studies, surveys, technological surveys, and all that, for putting up new industries, to fill up the gap in our industrial growth. Not only that, it is also provided that they can promote new ventures. I know that this has been borrowed from Japan; the various provisions have been borrowed from various countries. I would like to submit, let this Development Bank confine itself to assistance in financial matters alone, and let other promotional work like research and survey work be done by some other institution. We have got

the Technical Development Wing. Why duplicate that effort? We have got the Ministry of Industries. If necessary, these two institutions could be strengthened so that they could carry out the technological survey and other research work and promote companies. Let us not burden the Development Bank with too much work so that its original and most important work of finding finances and of providing finances for the growth of industry is not hampered.

3 P.M.

Regarding the management of this Bank, a point was made by my hon. friend sitting over there. He suggested, that there should be a separate board. Well, I think it has the same management as the Reserve Bank. If the management both of the Reserve Bank and the Development Bank, the top management I mean, is the same, it will facilitate matters. It has been borrowed from the Canadian pattern. But one thing I could not understand. When the Governor of the Reserve Bank is the Chairman of this Development Bank, when the Vice-Chairman is going to be a Deputy Governor of the Reserve Bank, and when the Board of Directors of the Development Bank are going to be the same as the Board of Directors of the Reserve Bank, why has it been provided that the Development Bank will take directions, permissions, approvals in so many matters from the Reserve Bank? Will it not amount to duplication of work and delay in the speedy disposal of the work? As my hon. friend has said, the Governor or the Board of Directors sitting in one room will make a request or make a proposal sitting in the same building or the same section of the building of the Reserve Bank where the Development Bank will be sitting. They will go and sit in some other room and pass those recommendations or requests. After all, the Secretariat of the Development Bank will be manned more or less by the same staff who are in the Reserve Bank. There should be co-ordination at the Secretariat level so that the

final disposal of the orders or decisions takes place at the Board level or at the Chairman level of the Development Bank itself and no reference need be made to the Reserve Bank. We should not forget that the Development Bank is a wholly subsidiary of the Reserve Bank and the management is the same.

With these words, Madam, I would like to support the Bill.

श्री बिलकुमार मल्लालजी 'चौरङ्गिया'
(मध्य प्रदेश) : उपसभापति महोदय, जो इंडस्ट्रियल डेवलपमेंट बैंक ऑफ इंडिया का विधेयक हमारे सामने मन्त्री महोदय ने प्रस्तुत किया, वह जिस इरादे से बनाया गया है वह बहुत अच्छा है। परन्तु मैं यह समझता हूँ कि उस इरादे की पूर्ति के लिये जो व्यवस्था इसमें की गई है, वह कहां तक उसमें सहायक हो सकेगी यह बहुत शंकास्पद है। इसमें इतने व्यापक अधिकार दिये गये हैं और ऐसी भाषा का उपयोग किया गया है कि किसी भी क्षेत्र में इसको उपयोग में लिया जा सकता है। ऐसी स्थिति में मेरी तो यह अपेक्षा थी कि अगर वित्त विभाग द्वारा इस बिल को प्रवर समिति की ओर भेजा जाता जिससे कि वहां पर अच्छी तरह से इस पर विचार होता और फिर हमारे आर्थिक साधनों को देखते हुये यह निश्चय किया जाता कि हमारे देश के औद्योगिक विकास की दृष्टि से किस क्षेत्र में विशेष रूप से हमें अपने धन को उपयोग में लाना चाहिये, तो ज्यादा अच्छा होता। परन्तु इस विचार से कि हमारे यहां पर इंडस्ट्रियल डेवलपमेंट शीघ्र हो, हम यह चाहते हैं कि जल्दी से इस तरह का विधान बने, एक नया बैंक कायम हो और जितने भी अभी भिन्न भिन्न बैंक्स धन दे रहे हैं उनका कोऑर्डिनेशन हो और सारी व्यवस्था हो।

इसमें सबसे मुख्य बात यह है कि इसमें इतने व्यापक अधिकार दिये गये हैं कि सबसे पहले अगर हम इंडस्ट्रियल कंसल्टन्स की परिभाषा को ही इसमें देखें तो ऐसा लगता है

कि कोई भी क्षेत्र ऐसा नहीं रहा जो इसमें सम्मिलित न किया गया हो। यहां तक कि जो क्षेत्र साधारण नागरिकों की दृष्टि और अनुमान में नहीं आता, उसको भी इसमें सम्मिलित किया गया है।

फिर इसके आगे इसके कर्तव्यों के बारे में दिया है कि क्या नया काम करना है। "बिजिनेस आफ डेवलपमेंट बैंक" में तो एक लम्बी चौड़ी सूची दी गई है और उसकी एक धारा में यहां तक कहा गया है :

"...doing any other kind of business which the Central Government, on the recommendation of the Reserve Bank, may authorise;"

रीफाइनंस करना, फाइनेंस करना, गारंटी करना, लोन देना, डिपॉजिट लेना, आदि जितनी भी कल्पना की जा सकती थी वह तो कर ही ली गई है। उसके बाद भी कहीं पार्लियामेंट के सामने न आना पड़े क्योंकि दिमाग में कोई ऐसी बात आ जाय या कोई काम ऐसा करना पड़े जो कि साधारणतया इसमें न आ सकता हो तो उसके लिये धारा ६ सबक्लाज "एम" में यह चाहा गया है कि किसी भी तरह का काम रिजर्व बैंक की सलाह और रिकमेंडेशन से किया जा सकेगा। तो इतना व्यापक अधिकार ले करके काम करने की बात ठीक लगती नहीं। उद्योगों को सहयोग और उद्योगों को सहारा देने वाली जो भिन्न भिन्न गवर्नमेंट की एजेंसीज हैं, उनका एकीकरण करके यदि केवल एकमात्र ऐसी एजेंसी हम कायम करना चाहते हैं जो सारे धन का नियन्त्रण करे और इंडस्ट्री के मामले में जितने भी काम हैं उनका नियन्त्रण करे और सरकार के दूसरे विभागों द्वारा या दूसरी संस्थाओं द्वारा हम कुछ

भी रकम देने वाले न हों और हमारा यह लक्ष्य हो तब तो इसमें यह व्यवस्था की जानी चाहिये कि जितने उद्योगों को भारत सरकार ने भिन्न भिन्न रूप में कर्जा दे रखा है उन सब का पूरिंग इसमें किया जाना चाहिये और उसके अनुसार अथाराइज्ड कैपिटल की व्यवस्था की जानी चाहिये। उसके लिये जितना भी कैपिटल प्लो करना हो उसका अकाउण्ट करके, उतनी सरकार को व्यवस्था करनी चाहिये। मगर अभी काम तो हमने बहुत अपने हाथ में ले रखा है और अथाराइज्ड कैपिटल हमने रखा है केवल करीब ५० करोड़ रुपये का जिसको चाहेंगे तो रिजर्व बैंक की सलाह से बढ़ाया जा सकेगा। अभी तो इश्यूड कैपिटल केवल १० करोड़ रहने वाला है जबकि हिन्दुस्तान स्टील प्लांट सरीखे कारखाने के लिये तीन सौ करोड़ रुपये का कर्जा देना पड़ा। जब एक ही उद्योग ऐसा है हमारे यहां कि शासन को तीन सौ करोड़ रुपये का कर्जा देना पड़ा तो हम दस करोड़ में कौनसा काम कर लेंगे। वैसे कोई होटल खोलना चाहे तो हमसे पैसा ले जा सकेगा, कोई सब्जी का घंघा करना चाहे तो हमसे पैसा ले जा सकेगा सब तरह के उद्योगों की इसमें व्यवस्था की गई है, परन्तु इसका परिणाम यह होगा कि जो योग्य काम हैं जो हमारे देश की सुरक्षा के लिये आवश्यक उद्योग हैं, हमारे देश की जो इंसेशियल इंडस्ट्रीज हैं उन को तो वह मिल नहीं पायेगा। हम तो इस इरादे से काम करते हैं और यह यहां पर घोषित किया जाता है कि जिनको फाइनेंसज मिलती नहीं, जो योग्य हैं, विवेकशील हैं, काम करने के क्षम्य हैं, मगर धन के अभाव में उद्योग प्रारम्भ नहीं कर सकते, उनको हम मदद करें। मगर होता बिल्कुल इसका उलटा है। जो बड़ी बड़ी कनसर्न हैं, वही लाभ उठाती हैं। महलनोबिस की रिपोर्ट के बारे में माननीय भूपेश गुप्त जी ने काफी चर्चा की है और मैं उसको दोहराना नहीं चाहता। मगर हमारे

यहां पर होता यही है कि जो बड़े बड़े उद्योग-पति हैं, वह पहले एप्रोच करके और अपना इनफ्लुएंस एग्जर्ट करके उसका लाभ ले लेते हैं और छोटे उद्योगों के लिये कुछ बचत ही नहीं है। और यह ५० करोड़ या १० करोड़ रुपया जो रखा गया है उसमें से उनको कुछ मिल सकेगा इसमें भी बहुत बड़ी शंका है। इसलिये जिस इरादे से इस कानून को बनाना चाहते हैं, जिस इरादे को पूरा करने की दृष्टि से यह कानून बनाना चाहते हैं उस दृष्टि से यह अत्यन्त आवश्यक है कि हम इस पर विचार करें कि हमें किन किन उद्योगों के लिये और कैसे कैसे उद्योगपतियों के लिये यह रखना है। उसके लिये प्रायरीटी फिक्स करना चाहिये था, इसके बारे में इंडिकेशन यहां पर दिया जाना चाहिये था नहीं तो इसके अभाव में यही मान कर चलना पड़ेगा कि हमारी सरकार जिन पर प्रसन्न होना चाहती है उनको ही सम्भवतः इसका लाभ मिलेगा।

जैसा कि हम लोग आरोप लगाते हैं कि चुनाव के दिनों में जो धन देकर हमारी कांग्रेस को आब्लाइज कर देता है उनको हमारी सरकार भी दूसरे रूप में, इन बैंक्स के द्वारा या जो दूसरे क्षेत्र हैं उनके द्वारा उनको आब्लाइज करना चाहती है और अभी तक तो हमारे मध्य प्रदेश की दृष्टि से यही रहा है कि जिन लोगों ने हमारी सरकार को जितना देने का प्रयास किया उतना ही सरकार ने भी उद्योग विभाग के द्वारा, विकास विभाग के द्वारा या अन्य गिन्न गिन्न विभागों के द्वारा उनको आब्लाइज करने की व्यवस्था कर दी, एक रेसिप्रोकल प्रॉजमेंट जैसा होता है कि तुम हमें चुनाव के दिनों में धन के द्वारा, बोट के द्वारा, जिस तरह से भी हो मदद दो और जब हम सत्ता में आ जायेंगे तब नये नये कानून बना कर—लोगों को बताने के लिये कुछ और व्यवहार में कुछ और, ऐसा करके—तुम्हें मदद देंगे, दोनों हाथ से नहीं बल्कि सौ हाथों से मदद करेंगे, जिस तरह से तुम दो हाथ होने के बाद भी सौ बोट दिला सके हो उसी

तरह से हम भी दो हाथ होने के बाद भी सौ हाथों से बराबर मदद दिला सकते हैं। तो दोनों हाथों से उलीचिये वाला सिद्धान्त है और इसकी वजह से होता यह है कि नीचे वाले तो रह जाते हैं और ऊपर तक वह पहुंच जाता है। तो यह जो बीमारी है इसका हल जब तक नहीं निकालते हैं तब तक यह हमारा कानून बनाना कभी भी सार्थक नहीं होता। पहले जैसे कि कहते थे कि बैरस होते थे जो कि बैठे रहते थे और वह जो डाकू लोग थे वह जो कोई भी उस रास्ते से पास होता था तो वह उससे, उस राहगीर से, पैसा वसूल करते थे उसी तरह से अब बैंक बैरस हो गये हैं, आप कोई भी कानून बनाइये, जितना भी उस रास्ते से पास होगा, जितना भी बैंक 12 मिल जायेंगे उनसे जितना भी खींच सकेंगे उतना खींचने का प्रयास करेंगे और आखिरी मंजिल तक पहुंचते पहुंचते कुछ बचने वाला नहीं है, है, सारी पैली आपकी खाली हो जायगी। इस दृष्टि से यह बैंक बैरस से बच कर के अधिक से अधिक छोटे लोगों को पहुंच सके इस सम्बन्ध में कुछ कर सकें तो हमारा यह कानून बनाना सफल होगा, जिस अच्छे इरादे से यह बनाया है वह पूरा हो सकेगा अन्यथा इस सम्बन्ध में कोई व्यवस्था होने के अभाव में वह पूरा हो सकेगा ऐसा हमें कुछ लगता नहीं।

तो दो बातों की ओर मैंने आपका ध्यान दिलाया। एक तो यह कि इसकी व्यापकता को सीमित करना आवश्यक था और दूसरे यह कि जो इस तरह से बड़े बड़े लोगों के पास पैसा पहुंच जाता है उसको रोकने की दृष्टि से हम कुछ कर सकें तो ज्यादा अच्छा है।

अब, इसमें एक व्यवस्था यह की गई है कि इंकमटैक्स, सुपरटैक्स और सब टैक्सों से इस को मुक्त किया गया है। वैसे भी अगर इनके पास पैसा आता और फिर बूम कर इंकमटैक्स में जाता तो भी वह सरकार के पास से ही जाता या आता मगर हमें यह देखना चाहिये कि सरकार के द्वारा जो भी चीज प्रारम्भ की

जाय उस हर चीज में इस तरह की फैसिलिटी देना, इस तरह से एक पक्षपात का रूप धारण करना, कुछ ठीक नहीं लगता है। नेचुरल कोर्स में जैसा होता है, जिस तरह से दूसरे बैंकों के साथ व्यवहार होता है, जैसी सुविधायें और अनुविधायें उनको देते हैं, वैसे ही इसका भी काम करना चाहिये। अगर इससे इंकमटैक्स वसूल होता है तो वह आने वाला भी वही है जहां से कि वह बच कर रहने वाला है, तो ऐसी स्थिति में इसमें जो विशेष लाभ देने की व्यवस्था की जाती है वह कुछ समझ में नहीं आती।

दूसरे, इसमें यह तय किया गया है कि हम इनको जो रुपया देने वाले हैं वह इंटरेस्ट फ्री लोन होगा। इसमें यह है :

"(a) an interest free loan of ten crores of rupees, repayable in fifteen equal annual instalments, commencing on the expiry of a period of fifteen years from the date of the receipt of the loan; and"

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बगैरह बगैरह।

तो यह जो १० करोड़ रुपया देने वाले हैं वे इंटरेस्ट फ्री होगा, वैसे अगर इंटरेस्ट फ्री भी नहीं होता और इंटरेस्ट भी होता तो वह नामिनल होता। अब, इस १० करोड़ रुपये की कीमत आज से १५ साल के बाद हमारे देश की जो आर्थिक व्यवस्था चल रही है उसके अनुसार ६ करोड़ रुपया रह जाने वाली है। उपसभापति महोदया, एक तो यह नुकसान हमें होने वाला है कि १५ साल के बाद १० करोड़ रुपये की परचेजिंग पावर ६ करोड़ या ७ करोड़ रुपये रहने वाली है तो ३ करोड़ या ४ करोड़ रुपये का यह घाटा हम पर लादना चाहते हैं इसके अलावा दूसरे यह कि हमको जो इंटरेस्ट आना चाहिये वह भी हमको मिलने वाला नहीं है। हम विदेशों से कर्जा ले रहे

हैं और अरबों रुपया हमें इंटरेस्ट का चुकाना है। उपसभापति महोदया, हमारे ऊपर कर्जा कितना बढ़ गया है, हमारे सिर पर पहले १६५३-५४ में ३४६ करोड़ रुपया कर्जा था और अब १६६४-६५ में ७६५६ करोड़ होगा और आगे यह कर्जा और भी बढ़ता जायगा और उसका इंटरेस्ट भी बढ़ता जायगा जो कि हमको देना पड़ता है। तो एक तरफ यह है और दूसरी तरफ हम इसमें इंटरेस्ट फ्री करना चाहते हैं। कर्जों का जो ब्याज हमको देना पड़ता है वह ३ अरब १३ करोड़ ४८ लाख रुपया है, तो आप देखें कि हमारे ऊपर कितना कर्जा है और हमको कितना रुपया ब्याज का देना पड़ता है। तो मैं यह पूछना चाहता हूं कि जो यह धन आप दे रहे हैं, बिना ब्याज के दे रहे हैं, वह आप किससे वसूल करना चाहते हैं? यह सारा का सारा जनता से टैक्स के रूप में वसूल होगा और उसी आधार पर आप इनको यह रुपया पेमेंट करने वाले हैं। तो अप्रत्यक्ष रूप से जो यह अरबों रुपयों का बोझ आप जनता पर डाल रहे हैं यह न्याय संगत नहीं कहा जा सकता है। यदि आपको कहीं से फ्री मिलता हो तो आप फ्री दें तो मुझे को आपत्ति नहीं है लेकिन इधर तो यह होता है कि आपको अरबों रुपया ब्याज के रूप में देना पड़ता है और उधर आप यह धनराशि इंटरेस्ट फ्री देते हैं।

फिर इन्फ्लेशन बहुत बढ़ता जा रहा है, अरबों रुपया, करोड़ों रुपया मुल्क में आता जा रहा है और उसके परिणामस्वरूप आज १० करोड़ रुपये की जो परचेजिंग पावर है वह १५ साल के बाद ६ करोड़ रुपये की रह जाने वाली है। कहेंगे कि यह लाभ की दृष्टि से, उस क्षेत्र में विकास करने की दृष्टि से कर रहे हैं। भारत के असंख्य लोगों को ही यह सब कर्जा चुकाना पड़ता है और ब्याज को भी चुकाना पड़ता है तो एक तरह से उनसे आप एक इन्डाइरेक्ट टैक्स ले रहे हैं। इस सारे का जो परिणाम है उसको आप नजर-अन्दाज करना चाहते हैं। हमको एक ही

उत्तर मिलता है कि हम देश का विकास करना चाहते हैं, देश के विकास के लिये हमें कुछ न कुछ त्याग करना पड़ेगा सब नागरिकों को विकास करने की भावना से त्याग करना है। अब, विकास की भावना को छोड़ कर देखिये कि हमारी सरकार कर्ज देने की अलग अलग व्यवस्थाएँ करती है और उसमें कहीं ४ परसेंट कहीं $\frac{4}{1}$ परसेंट और कहीं $\frac{3}{1}$ परसेंट के हिसाब से ब्याज लेती है। शासन की दृष्टि में हम कुछ रुपया लोगों को उधार देते हैं लेकिन उधार देने के पश्चात् स्थिति यह आती है कि वह रुपया जहाँ पहुँचना चाहिये वहाँ पहुँचने पहुँचते उतना ही महंगा पड़ जाता है जतना कि साधारण नागरिक को बाजार में लेने से पड़ता है, सब खर्चा वगैरह लगा कर ब्याज ८ परसेंट तक पड़ जाता है और ऐसी स्थिति में हमारा जो लक्ष्य है वह पूरा नहीं हो पाता।

आप देखिये कि हमारे यहाँ पर छोटे छोटे गांवों में कार्तकार को तकावी लेनी पड़ती है तो अगर ५०० रु० उसको तकावी का मिलता है तो उसमें से १०० रु० उनकी पहले ही पटवारी को, तहसील के जो कर्मचारी हैं उनको दे देना पड़ता है, उसमें वह चला जाता है और बच बचा कर उसको ४०० रु० मिलता है और पेमेंट ५०० रु० का बराबर होता है। इस तरह से हमको जो लक्ष्य पूरा करना है वह पूरा नहीं हो पाता और बीच की जो एजेंसी है वह गड़बड़ करना चाहती है। वही आखेण, वही आरोप मेरा इस प्रकार की संस्थाओं पर भी हैं कि जहाँ इस तरह के लॉस सैकशन होते हैं वहाँ वह डाइरेक्ट या इन्डाइरेक्ट तरीके से, से, अंडरक्लाथ डीलिंग से, अपनी भारी व्यवस्था कर लेते हैं, प्रायगिटी भी उसी हिसाब से फिक्स हो जाती है और उसमें भिफारिश भी काम कर जाती है और परिणामस्वरूप जो विकास का हमारा लक्ष्य है, या जिनको हम सहायता करना चाहते हैं, उसमें हम सफल नहीं होते। अच्छा होता कि

हम यहाँ प्रायगिटीज को निश्चित करने, हमारे मन्त्री जी यहाँ यह तय करके आते कि किसको किसको देना है—हमारे देश में सबसे बड़ा संकट सुरक्षा का है और यह आवश्यक है कि एग्जिक्शियल कम्पोडीटीज का उत्पादन हो तो यह अच्छा होता कि उस दृष्टि में हमको केवल उसी तक सीमित रखने, यह होटल वगैरह से चक्कर में या मामूली मामूली उद्योगों के चक्कर में न पड़ कर केवल एक मुख्य लक्ष्य को लेकर चलते तो सम्भव था कि इस कम रकम में भी कुछ कर पाते। गड़बड़ी यह हो जायगी कि जब यहाँ से यह कानून निकलेगा और डाइरेक्टर साहब के पास पहुँचेगा तो फिर उसके बाद अच्छा बाँटे रेवई अपने अपने को दे वाली कर्जावत के हिसाब से अपने पक्ष वालों को, अपने मिलने वालों को, भिफारिश वालों को, रिश्तेदारों को या जो अपने बाहर के दूर के सम्बन्धी हैं, जो अपने को डाइरेक्टली या इन्डाइरेक्टली आबलाइज करते हैं उनको लोन देने की व्यवस्था हो जायगी। तो इस दृष्टि से कुछ सोचना अत्यन्त आवश्यक था।

इसमें एक बात और है, जैसा कि मिन्हा साहब ने भी अपने भाषण में रेफरेंस दिया था, कि रिजर्व बैंक के डाइरेक्टर्स, गवर्नर या डिप्टी गवर्नर ही इस बैंक में डाइरेक्टर या डिप्टी डाइरेक्टर होने वाले हैं, इसमें कोई व्यवस्था ऐसी नहीं है कि रिजर्व बैंक की सलाह से भी काम किया जायगा या वैसे काम किया जायगा इसमें धारा ११ डी में बताया है कि रिजर्व बैंक की सहमति से डिपॉजिट लेंगे, वे गवर्नर और डिप्टी गवर्नर की हैसियत में वहाँ स्वीकृति देंगे और यहाँ पर मांगने आयेंगे डाइरेक्टर और डिप्टी डाइरेक्टर की हैसियत में। मसल में नहीं आना, एक ही अथागिटी है, एक ही व्यवस्था करने वाला है—वह उसी हैसियत में मांगने आयेंगे और उस हैसियत में स्वीकार कर लेंगे। सेक्शन ११डी में दिया है...

SHRI C. M. POONACHA: Chairman or Deputy Chairman.

श्री विमलकुमार मल्लालजी चौराईया:
मैं स्वीकार करता हूँ। लेकिन उसी हैसियत से गवर्नर और डिप्टी गवर्नर, दोनों चेयरमैन और डिप्टी चेयरमैन की हैसियत से, मांगने जायेंगे और गवर्नर और डिप्टी गवर्नर की हैसियत से उसको स्वीकार करेंगे। तो यह जो व्यवस्था है यह क्यों आवश्यक है? आखिर जब वे ही लोग वहाँ रहने वाले हैं तो इस तरह की व्यवस्था कुछ ठीक नहीं लगती।

इसी तरह से धारा १८ : ३ : में डेवलपमेंट फण्ड का आडिट करना नहीं है। अगर धारा २३ के अन्तर्गत आडिट की व्यवस्था करनी हो तो वह भी उसी हैसियत से—चेयरमैन और डिप्टी चेयरमैन की हैसियत से स्वीकृति मांगेंगे और फिर डिप्टी डाइरेक्टर की हैसियत से कहेंगे : फैलाने को आडिटर नियुक्त करने में हमारी सहमति और स्वीकृति है। रेगुलेशन बनाने के लिये भी इसी तरह से धारा ३७ में कहा गया है कि रिजर्व बैंक की सलाह से होगा। डेवलपमेंट बैंक के रिटर्न्स के लिये भी यही व्यवस्था है, अगर पूंजी बढ़ाना चाहते हैं तो उसके लिये भी रिजर्व बैंक की स्वीकृति लेने की अलग व्यवस्था होनी चाहिये। तो ऐसी स्थिति में यह अच्छा होता कि अभी जो अपना रिजर्व बैंक है उसके जो गवर्नर और डिप्टी गवर्नर हैं उनके पास काम उत्तना नहीं है और काम भी उनका सक्षमता से चल रहा है, अक्षमता से नहीं चल रहा है, तो उनके कोमल कंधों पर भार बढ़ा कर क्या आप चाहते हैं कि जैसे और सरकारी काम अक्षमता से चल रहे हैं वैसे ही चलें, अगर हमारी यही कल्पना है, तो हमें कुछ कहना नहीं है। लेकिन हम अगर चाहते हैं कि वे सक्षम रहें और जो नया बैंक चला रहे हैं वह भी सक्षम रहें तो हमें एक अलग व्यवस्था करनी चाहिये। इसमें चेयरमैन और डिप्टी चेयरमैन की जो भी व्यवस्था हो उसमें बोर्ड आफ डाइरेक्टर्स उसकी व्यवस्था अलग करें तो ज्यादा अच्छा है, उससे सुव्य-

वस्थित काम होगा। इसके अलावा जो हम बंधन डाल रहे हैं कि रिजर्व बैंक की सहमति से, राय से, हमको अमुक अमुक काम करने पड़ेंगे तो वह भी इफेक्टिव हो सकेगा। उसके अभाव में यह कोई इफेक्टिव रहने वाला है ऐसी बात नहीं है। यह एक हाथ से मांगना, दूसरे हाथ से देना, ठीक है अपने मन को सन्तोख देना, मगर उस लाइन का उपयोग होने वाला नहीं है जो मेन आचारिटी है अगर आप चाहते हैं कि वह वहाँ पर भी फंक्शन करे और यहाँ पर भी फंक्शन करे। तो ऐसी स्थिति में यह जो व्यवस्था की गई है यह ठीक लगती नहीं।

इसके साथ साथ, हमारे यहाँ पर उद्योगों द्वारा जो रकम खर्च की जाती है उस पर भी नियन्त्रण आवश्यक है। आज कोई आदमी किसी को रकम उधार देता है तो पहले यह देखता है कि जिसको मैं दे रहा हूँ वह देने वाला भी है कि नहीं, वह पैसा वापस दे जायेगा, या नहीं दे जायेगा वह किस काम में खर्च कर रहा है। अगर किसी छोटे गांव में साहूकार है तो वह देखता है कि और दस वफा विचार करता है कि फलां आदमी से पैसा वसूल हो सकता है कि नहीं और जितनी यह रकम किसी काम में लगाने वाला है वह काम प्रोडक्टिव होगा तो पैसा दे देगा, अगर अनप्रोडक्टिव होगा तो पैसा नहीं देगा। उसको भय होगा कि कहीं ऐसा न हो जाय कि यह भी बर्बाद हो जाय और मैं भी बर्बाद हो जाऊँ। तो यह सारे कंसीडरेशन देखता है तब जाकर कर्जा देता है। हमको भी इस बारे में विचार करना चाहिये कि हमें किन को देना है किन को नहीं देना है। कितने उद्योग हमारे ऐसे हैं जो कई वर्षों से जैसे हिन्दुस्तान स्टील का उदाहरण देखते हैं—चल रहे हैं और जिन्होंने करोड़ों रुपये कर्ज ले लिये, १९५४ से कारखाना चल रहा है और शुरू शुरू में कुछ लास हो रहा है इसकी कल्पना की जा सकती है मगर वह लास की प्रगति होती रहे यह कोई तरीका काम करने का नहीं है। ठीक है स्टेटिस्टिक्स के लिहाज से हमने कह दिया कि हमने इतने

करोड़ों रुपये खर्च कर दिये, इतने उद्योग धंधे चला दिये परन्तु परिणाम क्या हो रहा है वह सबके सामने है। अप्रत्यक्ष रूप से भारतवर्ष के नागरिकों पर करों का भार बढ़ता जा रहा है। यह भार धीरे धीरे चल कर कष्टदायक होने वाला है। इसलिये अत्यन्त विचार के साथ इस धन का सदुपयोग होना चाहिये अन्यथा इसके अभाव में हम लोगों पर भार बढ़ता जा रहा है।

एक और व्यवस्था की गई है कि ग्राडिट वर्गरेह के लिये ग्राडिटर नियुक्त किया जाये जो भी इस तरह के कन्सर्नुस होते हैं उनमें ग्राडिटर होते हैं। लेकिन यहां ग्राडिट नियुक्त करने वाली वही अघारिटी है, जिसका हिसाब करने वाले हैं उसकी भी वही अघारिटी के अन्तर्गत व्यवस्था है। ऐसी स्थिति में जैसा कि आम शिकायत है, यही होगा वाउचर को देख कर वे फिजिकल वरिफिकेशन कर लेंगे इतना खर्चा हुआ, इतने का माल आया, इतने का वाउचर है—चैक एण्ड फाउण्ड करेक्ट कह कर ई० एण्ड प्रो० ई० लिख देते हैं। कई हमारे यहां उदाहरण हैं जैसे कि एक बार कण्ट्रोलर जनरल ने हमारे नेवी डिपार्टमेंट में ग्राडिट किया तो कहा कि एक रुपये की चीज को नेवी डिपार्टमेंट ने चौदहगुना में खरीदा—४,००० रु० का नेस्टर पाउडर ५७,००० रु० में खरीदा तो ऐसी गड़बड़ें भी जांची जा सकती हैं। अगर ग्राडिटर जनरल जैसी एक एजेन्सी ग्राडिट करने की व्यवस्था करे। जिनको हम डाइरेक्टर्स नियुक्त करने वाले हैं उनसे अपेक्षा की जाय कि उनकी कम्पनी के या उनके बैंक के खिलाफ रिपोर्ट दे और सही सही जांच करके रिपोर्ट दें तो यह कल्पन, करना प्रैक्टिकल नहीं है जब तक कि वे इतने बड़े देवता न हो जायें कि वे व्यक्तिगत कंसीडरेशन से काम करना छोड़ दें। इसलिये मैं प्रार्थना करूंगा कि हमारे शासन को इस

बारे में विचार करना चाहिये कि ऐसे लोगों की नियुक्ति की जगह हमारे जो कण्ट्रोलर जनरल हैं उनको नियुक्त करना चाहिये। अगर हम ग्राडिटर वर्गरेह को नियुक्त करेंगे तो उसका नतीजा यह होगा कि हम कुछ सही चित्र अपने यहां नहीं देख सकेंगे। और नहीं इसके अन्तर्गत कोई अच्छी व्यवस्था कर सकते हैं।

THE DEPUTY CHAIRMAN: You have taken nearly 25 minutes.

श्री विमल कुमार मल्लालजी बौरडिया:
Five minutes more. हमारे कानून में कर्मचारियों को बचाने की एक परम्परा होती है, वे चाहे कुछ भी करें। सब भूल माफ एवरीथिंग इन इन गुड फेथ। धारा ३० के अन्तर्गत जहां, मिसिलेनस का चैंप्टर है, अगर कोई कर्मचारी कोई भी काम करे, इन गुड फेथ उसको माफ किया जा सकता है। मैं यह जानना चाहता हूं कि अब हम गुड फेथ में उन्हें इतने इतने बेतन में रखने वाले हैं और उनको अच्छी अवस्था देने वाले हैं तो ऐसी स्थिति में हम यह कहें कि एवरीथिंग इन इन गुड फेथ को माफ किया जाना चाहिये, तो फिर किसको जिम्मेदार बनाएंगे। जब हमारे इस सदन में प्रश्न होते हैं तो मन्त्री जी कहते हैं, घलती हो गई 'टु अर इज एग्जमन'। 'इस केसेज इज एग्जमन' के हमारे यहां कई टुअर देखने में आते हैं। तो यहां पर सेक्शन ३१ में दिया हुआ है :

No suit or legal proceeding shall lie against the Development Bank or any director or any officer or other employees of the Development Bank or any other person authorised by the Development Bank to discharge any functions under this Act for any loss or damage caused or likely to be caused by anything which is in good faith done or intended to be done in pursuance of this Act or any other law or provision having the force of law.

और भी कई सेवकान्स हैं। तो आखिर हमारा लक्ष्य क्या है। हम प्रजातन्त्र में इसको पसन्द नहीं करते। यह अत्यन्त आवश्यक है कि जिनके जिम्मे कुछ काम दिया जाये वे उसकी जिम्मेदारी लेने के लिये पूरी तौर से बाध्य हों और गलती की जिम्मेदारी उनकी ही होनी चाहिये। आज हमारे सारे भारतवर्ष में कहीं भी कुछ गलती होती है, अगर हजरत बल दरगाह का बाल भी गुम होता है तो हमारे लाल बहादुर शास्त्री खड़े होकर उसका जवाब देना चाहते हैं। एग्जीक्यूटिव इन इन गुड फ़ैथ में इस तरह से सब कुछ माफ़ करने की परम्परा ठीक नहीं लगती। यदि हमें प्रजातन्त्र का विकास करना है, भयंकर गलतियों पर रोक लगानी है तो आवश्यक है कि इस दिशा में कुछ करें।

समय हो गया है इसलिये निवेदन है कि इन सब बातों पर अच्छी तरह से विचार करें। अभी अच्छा हो कि इसको प्रवर समिति में भेज दें और इसको सीमित कर लेंगे, एक निश्चिन्त व्यवस्था कर लेंगे, अग्यथा फिर थोड़े दिन बाद एक असेम्बलमेंट लेकर मन्त्री जी आएंगे और फिर जैसा होगा वैसा देखेंगे।

DR. SHRIMATI PHULRENU GUHA (West Bengal): Madam Deputy Chairman, while I support the Bill I would like to make a few observations on it. It is the usual rule that money is given to those persons, institutions or companies who are in a position to give security of land or money and so on. While I agree that whatever money is given as loan there should be security for its safe return, but it must also be remembered that in a country like India, where the majority of our people are poor, we cannot expect security of money or land always. If we want that, we cannot expect small industries to grow. Our notions of security should be reoriented now. Money should not be taken as the only security. Hard work, sincerity, ability and capacity and the knowledge in

that particular trade, must also be considered as security. Madam, I would like to point out that if for giving loans, security is to be measured only by money, then many persons cannot take any loan from the Government and they cannot start any industries, particularly small industries, however deserving those persons may be otherwise. This is a vicious circle. May I suggest, therefore, that it is high time that we change our method of taking securities for loans, up to a certain limit, of course. I am fully aware that proper care should be taken for loans. On the one hand we expect that there should be expansion of trade, that there should be small industries and that our people may be employed in these small industries, but on the other hand there is no method for giving loans to the small industries and to people who have not enough money.

In this connection, Madam, may I suggest that a loan of say, up to Rs. 25,000 may be given to any company or person which has or who has a record of sincerity; capacity, ability and hard work and knowledge of that particular trade? For example, a sum of Rs. 5 lakhs can be kept for giving loans to 25 persons without taking security in the shape of money or land. Out of these 25 persons, some five may fail to return the money and that means a few thousands would be lost. I agree that there will be this loss. But with the remaining four lakhs and more, about 20 small industries will grow and some 400 or 500 persons will be employed and the capacity for production in the country will increase. This kind of a risk must, therefore, be taken. After all, even after taking security, the Government is losing in big concerns also. Therefore, for developing small industries, a certain degree of risk should be taken.

I, therefore, suggest that for the development of our country, for the development of our small industries and for harnessing the energy and ability of our talented people who do

not have enough money, a new type or method of giving loans should be considered by the Government.

With these suggestions, I support this Bill. Thank you, Madam.

SHRI T. CHENGALVAROYAN (Madras): Madam Deputy Chairman, I rise to support this Bill which is of momentous importance and of far-reaching consequences. Our hon. the Finance Minister, ever since he assumed this high office, has taken concrete steps to stimulate the economy, particularly in the industrial sector. In spite of very gallant efforts there has set in a sort of stagnant economy in our industrial expansion and it requires, therefore, a stupendous effort on the part of the Government in order to stimulate the economy from the present stagnation. Moreover, Madam Deputy Chairman, the budgetary proposals have shown us the necessity to give institutional financial assistance to several industries. There is this third factor, Madam Deputy Chairman, that in the context of the nature of the investments, the magnitude of the amounts required in order to achieve the targets of the Third Plan there is a gap between the magnitude of the investment and the measure of supply from existing monetary institutions. This gap is widening and it requires, therefore, Madam Deputy Chairman, a very conscious effort to bridge this gap so that several of the industries which are awaiting either inauguration or growth or expansion, will get the necessary assistance. For these reasons, Madam, I submit that this Bill has become very timely indeed.

There are some criticisms, Madam Deputy Chairman, probably raised already or that may be raised, as to why the existing monetary institutions cannot serve the purpose. My answer to that question is twofold. In the first place, if we examine the nature of the accumulated capital in respect of the existing credit institutions, they are what we may term short-term capital. But the latent

demands for investment in the industrial sector are of a value and nature which require not only colossal investment, but what is more than that, are of long-term duration. But the capacity of existing credit institutions, Madam Deputy Chairman, is limited, either by their own constitution or by the limitation of their own finances and so they cannot be utilised for financial assistance. There is another factor which has to be taken into account, namely, that the existing credit institutions are rather inclined to utilise their short-term capital in the commercial sector. One eminent economist of Japan has recently investigated the tendency of such short-term capital to lend itself either on a long-term capacity or on a short-term capacity. It has been the traditional tendency on the part of several of the existing credit institutions rather to appropriate their medium capital for commercial investment. For these reasons, I submit that the Industrial Development Bank of the type envisaged in this Bill becomes not only desirable but greatly necessary.

There is the other question, Madam Deputy Chairman, connected with this Bill, namely, the purpose of this Industrial Development Bank. The purpose of this Industrial Development Bank has been very ably explained in the Statement of Objects and Reasons and it is very clearly demonstrated by several of the clauses. The main purpose of this Bank is for instituting what is specifically stated as "Development Assistance Fund" and I am particularly pleased with this important provision in this Bill. Hitherto we have had several monetary institutions. But there is no such specific fund like this. This specific fund under the name of industrial development assistance fund, becomes very handy and helpful and it becomes rather earmarked for the purpose of giving specific assistance for the (development of industries and for industrialisation as a whole.

[Shri T. Chengalvarayan.] There is the other provision which rather attracts my attention and which is also of great value, Madam Deputy Chairman, and that is this dichotomy that is preserved in the maintenance of the funds. There is the General Reserve Fund and there is the Development Assistance Fund. This dichotomy in the constitution of the two separate funds in any financial assistance institution is very salutary and I am sure that in the actual working of this Bank, this dichotomy will lend itself to far-reaching consequences in trying to mobilise the funds necessary for the purpose of developments alone.

These are some of the very important provisions which certainly attract the attention of all those who consider this Bill in all its aspects.

Our criticism that is levelled against this Bill is this. "Why should the Reserve Bank come in with such weighty association?" it is asked. The answer to that question will be that the Reserve Bank by its own constitution, by the long history of its development and the historic role that it has played in the monetary policy of this country, is eminently suited to shoulder this very unique burden that this Bill throws on the Industrial Development Bank. As has been rightly pointed out by one of the speakers who preceded me, the Reserve Bank is the apex institution to all our monetary movements and it can certainly be an active participant in the furtherance of the cause of this Development Bank.

There is certainly some force in the criticism that looking at the amazing multitude and amplitude of the objects of this Industrial Development Bank, the resources by way of capital, namely Rs. 50 crores, even with the sanction of the Central Government, may be inadequate. I must most respectfully submit that this criticism has to be considered by the Govern-

ment but I am satisfied that this is only an inauguration of this Industrial Development Bank and as the tempo increases, as the need develops, surely the provisions of the Bill will lend themselves for further increase of operational capital and I am sure, Madam, Deputy Chairman, that experience will teach us, as we march on, for purposes of increasing the capital necessary for this purpose.

There has been another criticism, Madam Deputy Chairman, that there are already existing monetary institutions like the Industrial Finance Corporation, the Refinance Corporation. What is the necessity for another monetary institution? My most respectful answer to that criticism will be that these monetary institutions are not specifically directing their monetary investment for purposes of development of industry. Their resources are scattered and their investment policy is so varying that there cannot be any pinpointing so far as development of industries is concerned. Moreover, this very Bill provides for the gradual assimilation of the Industrial Finance Corporation and that will be sufficient answer to that criticism.

One would more,- Madam Deputy Chairman, and I have done. It has been stated, after all this is 'done, after all the stupendous effort of bringing in another monetary institution there is not going to be that kind of support which is necessary for the general public sector of industry or for the other kind. In other words, the criticism levelled against this Bill is that the provisions of the Bill, when the Bill is going to be inaugurated, are going to be instruments to mobilise monopolies and further concentrate wealth. I am not able to appreciate the wealth of that argument. It is only another way of stating that whatever good we may do the question of monopolist control and the concentration of wealth in a few hands is a process that we have to tackle by a gradual and by a steady approach. We have inaugurated the Unit Trust

and we are now coming with the Industrial Development Bank. We have already amplified the State Bank and we have enlarged the scope and function of the Reserve Bank. With all these monetary operations and fiscal arrangements, my respectful submission to Com. Bhupesh Gupta is that this is nationalisation of banks, of course, a painless nationalisation. There is no use invariably mouthing the nationalisation of banks as a party slogan, as a shibboleth. It has to be undertaken with a conscious effort, Madam Deputy Chairman, in order to assure that our Plan and our planned economy gets all the success. Therefore, the question of nationalisation of banks may be considered not in the present context but in the context of how this Industrial Development Bank is going to work.

I am sure, Madam Deputy Chairman, if anybody goes into the enumeration of the objectives in this Bill, of the variety of conditions under which this Development Bank can engage itself in, it seems to me, Madam Deputy Chairman, that it is going to be a pioneer in industrial development. There are several industries which are good but they are weak; there are several industries which are potential but not moving and, therefore this Industrial Development Bank, when it comes for the purpose of helping these new industries, will go a long way in improving our industrial expansion. There is one provision which is very significant and which says, Madam Deputy Chairman, that when this Industrial Development Bank is going to give its financial assistance, it is not going to give assistance in the usual orthodox way. It is not going to leave the nest of existing credit institutions. For aught I know, the provisions of this Bill make ample scope for the control of the investment policy of this Development Bank and as the provisions clearly indicate all investment is going to be increasingly directed to industries which are not catered either to tighten the monopolist control or to increase the con-

centration of wealth. This is a policy arrangement which I think we can safely trust our Finance Minister to carry on with his usual courage and confidence. Madam Deputy Chairman, this Industrial Development Bank is going to be of great assistance and from the way in which it is going to work, I am inclined to believe, that it is going to be a friend, philosopher and guide for many industries which are struggling for expansion and may this be an era when we inaugurate the institution. I request the Finance Minister to consider another aspect of this Development Bank. Industry is our base but agriculture is our basis. I request the Finance Minister to consider the desirability of bringing in another measure, more or less of the same type, which will or may be called the Agricultural Development Bank Bill. Let it not be said that we are only concentrating on industrial expansion; let it be equally said that we are conscious of the agricultural needs. When this is done, as I hope it will be done, our economy under the Plan will be airborne to the greatest satisfaction and to the fullest achievement of our Plan efforts.

With these words, Madam Deputy Chairman, I have very great pleasure in whole-heartedly supporting this very important Bill.

SHRI B. R. BHAGAT: Madam Deputy Chairman, I am glad the House has given valuable support to this measure. Even the hon. Member who spoke first, I think, after hearing his speeches of the other hon. Members, would search his heart and find that the fear he expressed in regard to this Bank being an institution which will further lead to concentration of economic power and strengthening of the monopolistic trends in our economy was without foundation and would change his opinion. I could not appreciate the relevance of bringing in the Mahalanobis Committee Report on this occasion. It is an important document and we have laid it on the

[Shri B. R. Bhagat.] Table of the House and the hon. Members will go through it and will find all the analyses and trends in our economy but to bring it in on a discussion like this is hardly relevant. Actually, the fact of the matter is that whatever he has said about the various financial institutions like the Industrial Finance Corporation, *e.g.*, that they are only financing the bigger enterprises or certain items having a lower priority and thus distorting the Plan priorities, is to my mind very much exaggerated because the Annual Report of the Industrial Finance Corporation is laid on the Table of the House. There you would find both these analyses given, those relating to the co-operative sector and those relating to the size of the loans and the size of the companies. In the co-operative sector the outstanding loans as at date amount to about thirty-eight to thirty-nine crores. All these show that although the 'big enterprises with a share capital of several crores of rupees come with loan applications asking for loans of a crore and a crore and a half there are a very large number of smaller enterprises which get accommodation from the Industrial Finance Corporation. All such loans over a crore of rupees come to the Government for approval and this approval is given only if it is thought that the industry is of such a nature as to be important for the economy of the country. So, the allegation that institutions like the Industrial Finance Corporation cater only to the needs of big business enterprises is not correct. Small and medium enterprises get accommodation from it. The co-operative sector gets very big accommodation from it and also the enterprises which we may call the bigger enterprises. In the present context of our economy there are certain big enterprises in the public sector and because of these big giant enterprises in the public sector the economy has to operate in a particular manner. And some of the enterprises in the private sector also have got to be big. They cannot be

small; their share capital is big and the loan capital is also big. Therefore because we have given to certain big companies in the private sector big loans of crore and something, therefore the I.F.C. and other institutions are only creating monopolies is not the correct conclusion to be drawn.

Similarly about the banks he said that the banks give big loans. That, is true. Although the State Bank is a public sector bank, the advances made by it to the bigger units are larger for the simple reason that in the commercial banking operations, whether it is the private sector or the public sector, they have certain principles, time-honoured principles. Advances are made against collateral securities; against equipment, raw materials and other things they give 50 per cent, and if a company offers Rs. 5 crores as collateral security the bank will give Rs. 2½ crores. If another company offers Rs. 50 lakhs the bank will give Rs. 25 lakhs. Objection can only be taken if a smaller person is discriminated against; if against a security of say, a crore of rupees, the bank offers Rs. 80 lakhs in one case and in another case of a small business enterprise the bank advances only, say, Rs. 10 lakhs against a security of Rs. 25 lakhs—it will be less than 50 per cent.—there can be room for objection. But that does not happen.

SHRI BHUPESH GUPTA: Why didn't you expound this theory at Bhubaneswar when your people were demanding nationalisation? Were you afraid at that time.

SHRI B. R. BHAGAT: I am explaining the position in a different context. You cannot bring in everything and draw a single conclusion. I think the hon. Member understands this all right. I am only saying that it is not right to draw a conclusion that either the banking system or the I.F.C. caters only to the needs of the Big Business. Actually the remedy is somewhat different. If you want to

attack monopoly—and we should attack monopoly and we are going to attack monopoly and concentration of economic power—we have to take steps all along the line. Firstly the biggest step is to develop the public sector and in the successive Plans the public sector has started assuming a commanding position in the basic industries and by the end of the Fifth Plan the public sector will assume a role of more than 50 per cent, in the industrial sector actually 52 or 53 per cent; in certain cases like steel, machine building, metals, power generation, fertilisers and other things it will assume a -very very dominant role.

Then in the existing enterprises we have to take steps to break the big enterprises; we have to develop the co-operative sector; through banking policies and other credit policies and other means of direct assistance we have to develop more and more of medium and small-scale industries. We have to promote an agro-industrial sector, the type of industries which are developing in Punjab. We have to break through not only in the matter of income standard of the people but also in agriculture. Small industries based on power, run efficiently and with greater skill and technical expertise, will revolutionise the whole set-up. Agriculture and power is linked together; there is an inter-relation between agriculture and the rural industries. Where the infrastructure is spread all over the countryside, if we develop the countryside agriculture will thrive. And the small man with his technical skill and knowledge has a great part to play. The co-operative sector and the big commanding public sector marching hand in hand on the two sides of the economy, that is the way to develop socialism in the country and that is the way we are progressing. Because something has happened in one bank or one loan has been given in some way, to decry the whole thing is not right. My point is in the situation today when there is a private sector operating the bank-

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ing system has to give it loans when it conforms to the conditions of the loan. We have to change the entire structure both in the positive side as well as prevent the growth of these big enterprises. All this has to be done in such a manner that the economy develops, that income generation takes place, that industrialisation is broadbased, that agriculture thrives and that the whole economy gets into a dynamic momentum. That is the way to build socialism in this country, arid for that great leader-ship, technical knowledge, discipline and great organisation are required and without these it cannot be built. And that is what we are trying to do. I am sure the hon. Member knows all these when he speaks about it. He should speak from that perspective and not in a pettifogging manner, small manner, trying to find fault with this or that. That is not the way to establish socialism in the country. That is my answer to the hon. Member.

So far as this Bill is concerned, I think this Bill seeks to assist and promote precisely the small sector, the medium sector . . .

SHRI BHUPESH GUPTA: May I know when you will get rid of your illusion that you are establishing socialism in the country?

SHRI B. R. BHAGAT: Well, it is not an illusion. We are doing it bit by bit; we are building it brick by brick and it is being built in spite of the obstructions of the hon. Member.

So far as this Bill is concerned, as I explained, Madam, this is to provide a fillip to industrialisation and to fill in a small link in the chain of industrial financing, to help the small man in the medium sector and the co-operative sector. In such crucial sectors where purely commercial considerations cannot weight, where the investments may be very large and returns for a number of years may not be adequate, where the banks will not go and take risks, this Bank

[Shri B. R. Bhagat.]

will go. Take a power generation scheme or a big machine-building project or steel or some such basic heavy industry in which in the earlier years the investment will be large; here also this Bank can help. That is why I said that it will advance both to the private as well as to the public sector. Therefore, this is an institution which will play a very great role in the industrialisation of the country, in promoting basic industries, in promoting co-operative sector, medium sector, etc.

SHRI BHUPESH GUPTA: How are you raising the funds for Hindustan Steel? Do you need a bank for it?

SHRI B. R. BHAGAT: The working capital is provided by the banks.

SHRI BHUPESH GUPTA: How are you raising the capital outlay? Tell us.

SHRI B. R. BHAGAT: As I said, the working capital is provided by the banks. Every institution needs funds, whatever may be the sources but the point is that this institution is going to provide the necessary resources. And to say that this will strengthen monopolistic trend in the country or in the economy is, I think, a conclusion which no enlightened person will draw.

SHRI BHUPESH GUPTA: We will discuss it in 1967—you pass it now—if we are alive, some of us.

SHRI B. R. BHAGAT: A point was made by some hon. Members that there should be an independent Board for the Development Bank. Here it is said that this will be a subsidiary to the Reserve Bank and the Board of the Reserve Bank will also be the Board for this. The scheme of the Bill is that the Development Bank should be fully a subsidiary of the Reserve Bank. In clause 6 of the Bill it has been said that a Deputy Governor of the Reserve Bank will head this institution. Because this is

a special type of a Bank and the first of its kind it is necessary that it functions under the very close scrutiny of the Reserve Bank. And that is the reason why there is a common Board of Directors.

4 P.M.

SHRI BHUPESH GUPTA: Will you please tell us who conceived the idea, Mr. Morarji Desai or Mr. T. T. Krishnamachari?

SHRI B. R. BHAGAT: You know—that ideas emerge at various levels, at the technical level, political level, organisational level, all levels.

SHRI BHUPESH GUPTA: What is the ultimate level?

SHRI B. R. BHAGAT: The ultimate level is Parliament. Therefore, I think there is an advantage in having a Board like this. The point was made that the Directors are very busy people and it may not be possible for them to function in both the places. I think the Directors are not whole-time. As you know, the Directors come to the meeting, give their advice and give their policy directions. It is the management which functions. For example, there will be a whole-time executive. The Deputy Governor of the Reserve Bank *ex-officio* will be the head of this Bank. Therefore, I think this arrangement will be smooth and convenient and there should not be any difficulty about it.

Then, it was asked: Why should it be exempt from taxes? It is precisely because the Reserve Bank under the Act is exempt from taxes and this being a subsidiary of the Reserve Bank the same principle applies to it also. That is the reason why it is exempt from taxes.

Then, a point was raised about the resources for the Development Bank. It was said that it starts with only Rs. 10 crores, then it goes on to Rs. 50 crores and then it will be increased to Rs. 100 crores. The de-

mands of industrial finance in the country being so enormous—and they will increase in future—the resources will not be adequate. But hon. Members! would perhaps appreciate that apart from this capital, which may go up ultimately to Rs. 100 crores, the development Bank will be able to utilise the funds out of the National Industrial Credit (Long Term Operations) Fund, for which they will get an initial credit from the Government and also subsequent credits which will add up to a substantial amount in coming years. In addition to this, there will be the Development Assistance Fund created with the resources provided for this purpose by the Central Government. I think the first loan from the National Industrial Credit Fund will be out of the profits of the Reserve Bank and this Fund will be a grant from the Central Government. The Development Assistance Fund is meant to develop special industries, the basic industries, not the other industries where the normal commercial principle of profitability applies. Because the other banks may not come forward this type of a Special Development Assistance Fund is being created. Every year grants would be made. The amount cannot be said at this stage because every year the Government will take a review of how much, is required. If you take the totality of the funds, whether as paid-up capital or as profits from the Reserve Bank which will be ploughed back into the National Industrial Credit Fund or the Development Assistance Fund, to which the Government will contribute, there will not be any dearth of funds. Along with these, the Bank will have powers to borrow both inside the country and outside the country. Then, it will get foreign 'exchange resources, loans and other things. Then, it can raise bonds. From all these points of view there will not be any dearth of funds for this Bank. Therefore, any fear expressed on that account is hardly worth while. Madam, with these words I move the Bill.

THE DEPUTY CHAIRMAN: The question is:

"That the Bill to establish the Industrial Development Bank of India for providing credit and other facilities for the development of industry and for matters connected therewith and further to amend certain enactments, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted

THE DEPUTY CHAIRMAN: We shall now take up the clause by clause consideration of the Bill.

Clauses 2 to 38, the First Schedule and the Second Schedule were added to the Bill.

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

SHRI B. R. BHAGAT: Madam, I

move:

"That the Bill be passed."

The question was proposed.

SHRI BHUPESH GUPTA: One minute, Madam. I just want to say that I am not in the least convinced by the arguments that have been given by the hon. Minister and I am afraid that I cannot accept the arguments which have been given even by my friend, Mr. Sinha. I think it is an institution which has been conceived of in the spirit of monopoly capital, whatever they may say and I am sorry that they mislead the House by saying all kinds of thing.

SHRI B. R. BHAGAT: Who is misleading—you or I?

SHRI BHUPESH GUPTA: Here they have the Report of the Mahalanobis Committee and this has given some indication as to how the financial institutions should or should not function. Therefore, I say that we do not accept it and we shall record our vote against it when it comes to the final voting and discuss it two years later in the light of experience. I do not know who will be where at that time.

THE DEPUTY CHAIRMAN: Have you anything to say?

SHRI B. R. BHAGAT: I only say that I have not mislead the House. I think the hon. Member has misconceived it.

THE DEPUTY CHAIRMAN: The question is:

"That the Bill be passed."

The motion was adopted.

STATEMENT RE. REVISED RATES OF DEARNESS ALLOWANCE

THE MINISTER OF PLANNING (SHRI B. R. BHAGAT): Madam, with your permission I beg to lay on the Table, the revised rates of dearness allowance. [See Appendix XLVH, Annexure No. 29].

SHRI BHUPESH GUPTA (West Bengal): Would you tell us what it is?

SHRI B. R. BHAGAT: The President has been pleased to decide that, with effect from the 1st February, 1964, the rates of dearness allowance should be revised as follows: —

<i>Pay Rs.</i>	<i>Dearness Allowance^e Rs.</i>
Below 110	20.50 NP
110 and above but below 150	25.50 NP
150 and above but below 210	42
210 and above but below 300	50
300 and up to 315	Amount by which pay falls short of 350
316 and up to 384	35
385 and up to 400	Amount by which pay falls short of 420
401 and up to 580	20
581 and above	Amount by which pay falls short of 600.

The other details are there. I think it is the practice to lay it on the Table.

SHRI BHUPESH GUPTA: I would like to know the percentage. Do you say 25 per cent, increase in the clearness allowance? I should like to know what percentage it works out on an average in the case of the lower categories.

THE DEPUTY CHAIRMAN: Well, that has to be worked out. He has only made a statement. He has not worked it out. We come to the next item.

THE EAST PUNJAB AYURVEDIC AND UNANI PRACTITIONERS (DELHI AMENDMENT) BILL, 1964

THE DEPUTY MINISTER IN THE MINISTRY OF HEALTH (DR. D. S. RAJU): Madam, I beg to move:

"That the Bill further to amend the East Punjab Ayurvedic and Unani Practitioners Act, 1949 as in force in the Union territory of Delhi, as passed by the Lok Sabha, be taken into consideration."

The Bill before the hon. Members of this House is a Bill amending the East Punjab Ayurvedic and Unani Practitioners Act, 1949, as applied to Delhi. In accordance with the provisions of this Act, a statutory Board which is known by the name of the Board of Ayurvedic and Unani Systems of Medicine, Delhi, has come into existence. This Board has been functioning for the last six or seven years. Broadly speaking, the functions of this Board are to maintain a register of all the practitioners of Ayurveda and Unani medicines, to look after and safeguard the ethics and morality of the profession, to guard against professional misconduct and also to conduct examinations in the prescribed courses, etc. These are the broad functions of this Board. It has been functioning for the last six or seven years and experience has shown that this arrangement is not satisfactory.