

that is being sought here; it is no new principle.

Then the hon. Member raised a somewhat larger point of assistance to the small-scale industries. This is not very germane to this Bill, but as he has raised it, I may very briefly point out that it is true that it is Government's policy that more and more facilities—loans included—for the development and promotion of small-scale industries should be provided by the banks; it is the considered policy of the Government and we are trying to do everything possible. Under the Credit Guarantee Scheme a limit of Rs. 12 crores has been provided, of which 80-85 per cent, has been handled by the State Bank, that is, about Rs. 8-9 crores. In the very nature of the situation the State Bank should naturally come in a big way, and it has come in a big way. No other bank, you know, has come in such a measure as the State Bank, because out of Rs. 12 crores, Rs. 8-9 crores, or 8J crores are being provided by the State Bank. But I must confess before the House that much more needs to be done and we should do everything possible to encourage other banks also to come forward, giving them all facilities. Under the Credit Guarantee Scheme the limit has to be raised because, if you want to fulfil the purpose of developing and promoting small-scale industries, banking and financial facilities to them have got to be enlarged and expanded much more than they obtained today.

With these words, Sir, I commend this Bill for the acceptance of the House.

MR. CHAIRMAN: The question is:

"That the Bill further to amend the State Bank of India Act, 1955, the State Bank of India (Subsidiary Banks) Act, 1959, and the Bankers' Books Evidence Act, 1891, and to provide for the winding up of certain minor State-associated banks and for matters connected therewith,

as passed by the Lok Sabha, be taken into consideration."

*The motion was adopted.*

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

Clauses 2 to 6 were added to the Bill.

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

SHRI B. R. BHAGAT: Sir, I move: "That the Bill be passed"

*The question was put and the motion was adopted.*

#### THE WAREHOUSING CORPORATIONS BILL, 1962

THE DEPUTY MINISTER IN THE MINISTRY OF FOOD AND AGRICULTURE (SHRI A. M. THOMAS): Sir, on behalf of Shri S. K. Patil I move:

"That the Bill to provide for the incorporation and regulation of corporations for the purpose of warehousing of agricultural produce and certain other commodities and for matters connected therewith, as passed by the Lok Sabha, be taken into consideration."

Sir, the House might recollect that it passed the National Co-operative Development Corporation Bill during the last Session. With the passing of this Bill by this hon. House, the Agricultural Produce (Development and Warehousing) Corporations Act, 1956, would be displaced by two enactments, one, which I mentioned at the outset, and the second by this legislation. Under the Act of 1955, the National Co-operative Development and Warehousing Board, the Central Warehousing Corporation, and

[Shri A. M. Thomas.] the various State Warehousing Corporations were set up. This legislation was initiated by the Ministry of Food and Agriculture; these institutions also were formed, while the subjects relating to their administration were with the Food and Agriculture Ministry. In December 1956 the subject of Co-operation was transferred to the Ministry of Community Development; certain divisions of functions also were then effected. The Ministry of Community Development and Co-operation was put in charge of co-operative development as a whole; the Ministry of Food and Agriculture was put in charge of warehousing and storage. This was the broad division, which was agreed to on the bifurcation of functions and reorganisation of these Ministries. The administration of the National Co-operative Development and Warehousing Board went to the Community Development Ministry whereas the control of the Central Warehousing Corporation, as well as the State Warehousing Corporations continued to be vested in the Food and Agriculture Ministry. Sir, this division was made in 1958 and it would be interesting for the House, I think, to be told that even during the course of the examination of the recommendations of the Rural Credit Survey Committee, it was felt that the Central Warehousing Corporation should not be linked with the Co-operative Development Board and there should be two independent autonomous bodies. In fact, this was the tentative decision taken at the earlier stage. It was also felt that the Central and State Governments would be in a position to give assistance to the State Warehousing Corporations directly, without routing such assistance through the Co-operative Development Board. This proposal, rather at the first stage, was approved by the Government of India but was subsequently modified in view of the fact that the Ministry of Food and Agriculture was in charge of both warehousing and co-operative development, and therefore it was not neces-

sary to have two independent bodies. It was because of this modified decision that the 1956 Act came into being having a comprehensive legislation for the purpose of formation of the National Co-operative Development Board as well as the formation of the Central Warehousing Corporation and the State Warehousing Corporations. It seems, Sir, perhaps the first decision was more correct and by experience we have again come back to the implementation of that decision.

Sir, it may be pointed out that neither the Central Warehousing Corporation nor the State Warehousing Corporations are co-operative organisations. In the case of the Central Warehousing Corporation, a large majority of the share capital is held by the Government of India, the State Bank of India and a number of joint stock companies. In the State Warehousing Corporations half the share capital is held by the State Governments and the other half by the State Warehousing Corporations. Separation of the Warehousing Corporations from the Co-operative Development Board, therefore, was not likely to prove harmful to cooperative development. Necessary coordination is also being effected, liaison also is being maintained by having a representative of the Central Warehousing Corporation in the Board of Directors of the National Co-operative Development Board. And there is a nominee of the latter in the Board of Directors of the Central Warehousing Corporation in order to ensure the representation of the one on the other. The two Ministries are also adequately represented in both the Corporations, in both the Boards.

At present co-operative marketing organisations are, however, doing very little outright purchases and, therefore, have very little produce which they can store in warehouses. Their own godowns are adequate for their own requirements. Warehouses of the

Central and State Warehousing Corporations are at present not being used on any substantial scale by co-operative organisations and it is unlikely that they will do so for quite some time to come. I will come, during the course of my speech, to the exact percentage of deposits by producers, trade as well as by the co-operative organisations.

Now, Sir, a general pattern of warehousing has been established and the main task is to expand warehouses on a large scale. This can be done by the Warehousing Corporations under the guidance of the Ministry of Food and Agriculture and the State Governments and it is not necessary for the Warehousing Corporations to continue any longer under the tutelage of the Co-operative Development Board.

Not only that, the Co-operative Development Board is mainly concerned with organisation of service and credit societies, marketing societies, processing societies and higher credit organisations like apex banks, mortgage banks, etc. The activities of the Co-operative Development Board cover a large variety of subjects of which warehousing is only one and even that is dealt with indirectly through the Central Warehousing Corporation and State Warehousing Corporations.

I have mentioned so much, Sir, just to dispel any impression that it is not advisable to bifurcate the functions and to take away the tutelage of the Development Board over the functions of the Central Warehousing Corporations and the State Warehousing Corporations. I think, Sir, the wisdom of the measure cannot be questioned.

Sir, by this comprehensive legislation for the Central Warehousing Corporation as well as State Warehousing Corporations, attempt has been made to make certain changes

in the provisions of the old Act, that is, the 1956 Act. Some changes are consequential. Some changes have been made based on experience of the working of both the Central and the State Warehousing Corporations. The consequential changes are that the Central Government would be shareholder to the extent of 40 per cent of the shares of the Corporation in place of the National Co-operative Development Board while the other shareholders of the existing corporations will become other shareholders of the new Corporation.

According to clause 7(1), the membership of the Board of Directors will not be 12 as against 15 under the previous Act, and the words "notified commodities", as defined in clause 2(e) of the present Bill, have been added to the existing list of articles which the corporations established under the Act can accept for warehousing purposes. This has been done to enable the Government to notify from time to time any commodity for the inclusion of which there is genuine demand.

According to clause 15, Sir, the Central Warehousing Corporation will maintain the "Warehousing Fund" which was being maintained by the former National Co-operative Development and Warehousing Board under the existing Act.

According to clause 31, generally, the Comptroller and Auditor-General of India shall be given additional functions such as rights and privileges and also authority in connection with the audit of a warehousing corporation, as he has in connection with the audit of Government accounts, and he shall have the right to demand the production of books, accounts, vouchers and other documents and papers of the corporation.

These are, Sir, in short the major changes that we have introduced in the present Bill taking advantage of the opportunity to have a fresh legislation in view of the bifurcation of

[Shri A. M. Thomas.] functions and the passing of the National Co-operative Development Corporation Act by this House in the last session of the House.

Sir, when I move this Bill, I am sure the hon. House would be interested to know what exactly has been the working of both the Central Warehousing Corporation as well as the State Warehousing Corporations. These Corporations, the Central Warehousing Corporation especially—the State Warehousing Corporations came into existence subsequently—have been functioning for about five years now. It has set up 65 warehousing centres in the country and the State Warehousing Corporations have set up centres at 407 places. The total aggregate storage capacity owned and hired is, as available to the Central Warehousing Corporation and the State Warehousing Corporations, about 6 lakh tons. The Central Warehousing Corporation, by and large, have concentrated stocks in centres of all-India importance and in big markets where the State ware-housings in many cases have moved to the district level. The Central Warehousing Corporation and the State Warehousing Corporations are independent, statutory bodies. Even so there is close liaison also between the two bodies.

Sir, the present capacity of the Central Warehousing Corporation is 1,25,716 tons out of which 31,342 tons is either owned or even purchased by the Central Warehousing Corporation, and as much as 94,374 tons capacity is hired. The storage capacity of the State Warehousing Corporations is 4,63,195 tons out of which 35,818 is owned and constructed and 4,27,377 hired. Under the Third Plan the Central Warehousing Corporation proposes to construct godowns at 55 centres. In the first year of the Third Plan, the Central Warehousing Corporation has constructed 12,500 tons capacity. The progress of construction, I am pre-

pared to admit, has been rather slow. The main reason for the inadequate progress of construction has been the difficulty in procuring sites, and building materials like steel. The Government of India have advised the State Governments to give high priority to the acquisition of land for warehousing. As regards availability of steel, the Department has agreed that the Central Warehousing Corporation's requirements could be obtained along with that of the Food Department. The Food Wing of the C.P.W.D. is now in charge of the construction of the warehouses which have to come into existence under the Central Warehousing Corporation also and I trust that there would be better progress in this direction as has been achieved in the direction of the construction of food storage godowns for the Food Ministry. The State Warehousing Corporations have been apprised of the slow progress of their construction and they have been requested to make every effort to speed up their construction programme. Besides these physical difficulties, there are also other factors slowing down the construction programme of the Warehousing Corporations. The Corporations are run on commercial lines though they are developmental ventures and have, therefore, to pay attention to their balance sheets. Before a site is chosen for building a close look at the market potential of that centre has to be taken. In other words, before we start building we have to ensure that the warehousing can pay its way. A warehouse is, therefore, first started in hired godowns as an experimental measure and progress of its business is watched in a year or two. If there is custom, a decision is taken to build the Corporation's own warehouses, after which Kite is selected and then acquired. Sites in the centre of the market area are not readily available, and when available, are very costly. On the other hand, a site away from the market place will no doubt be cheap but will not attract much custom. In the

dilemma, selection of site for construction is performed a slow process.

The question of provision of transporting agricultural produce to and from the warehouses has also been considered by the Government. It is one of the specific functions laid down in the Bill also. It is, however, felt that it may not be possible to provide this facility to the cultivators, since, by and large, the cultivator prefers to carry his stock in the bullock carts and also he would very much like to see for himself that his goods are stacked securely in the warehouses. There is also further difficulty of utilising mechanical transport in rural areas with inadequate road facilities. In the circumstances, it has been considered desirable that the cultivator may himself transport his stock to the warehouses in the traditional way.

In spite of these difficulties which I have enumerated to this hon. House, the progress that has been achieved by the Central Warehousing Corporation and some of the State Warehousing Corporations has really been impressive. The money invested in the Corporation so far is Rs. 6-3 crores. I have tried to find out what exactly is now the volume of business that is being handled by the Central Warehousing Corporation. I find that both from the Central Warehousing Corporation and the State Warehousing Corporations, on the security of the deposit warehousing receipts, last year itself as much as Rs. 5 crores have been drawn by the customers from the banks. In the year before that, it was only Rs. 2-86 lakhs. It was practically double the amount that had *been* received from the banks on the strength of warehousing receipts. The storage charges—the gross income—have come to Rs. 14,25,000 during 1961-62 whereas in the year 1960-61 it was only Rs. 7,87,000. It has doubled practically.

SHRI BHUPESH GUPTA (West Bengal);  
But how much did we pay to private parties?

SHRI A. M. THOMAS: I am just on the gross income that has been earned by the Central Warehousing Corporation.

SHRI V. M. CHORDIA (Madhya Pradesh):  
What was the expenditure?

SHRI A. M. THOMAS: In recent years it has registered considerable progress, as would be seen from the figures I mentioned that whereas in 1961-62 it is Rs. 14,25,000 gross income, in 1960-61 it was only Rs. 7,87,000. So it is now double. In 1959-60 it was only Rs. 3,81,000. So in recent years considerable progress is being registered as would be seen by the advances made by the banks on the strength of warehousing receipts.

SHRI V. M. CHORDIA: Will you show us the expenditure side also? You have shown the gross income.

SHRI A. M. THOMAS: On the expenditure side, as the House knows, 3<sup>1</sup>/<sub>2</sub> per cent, dividend is assured on the shares of the Central Warehousing Corporation. The Central Government has guaranteed that. The Central Warehousing Corporation is being run on a loss. In fact the average loss in the last 5 years comes to about Rs. 2 lakhs but I may mention that the losses have been coming down every year. It has been registering a fall or reduction in the losses. As far as the State Warehousing Corporations are concerned, almost all of them are running at a loss except perhaps two or three. In fact the Punjab State Warehousing Corporation has declared a dividend of 1 per cent, or so. The Punjab State Warehousing Corporation, the Assam State Warehousing Corporation, the Orissa State Warehousing Corporation and the U.P. State Warehousing Corporation are now being run on a profit whereas the other Corporations are being run at a loss.

[Shri A. M. Thomas.]

With regard to commodities also that have been received for warehousing, as many as 87 commodities are being received for warehousing and in those articles, a commodity like fertilizer is also included. I have some figures regarding the quantity of fertilisers stocked in the Central Warehouses. In the year 1961-62 from private parties as much as 8,890 tons of fertilizers have been received and warehoused there and from Government as much as 8,787 tons. This year also it is hoped that the figure would be more or less of the same order, if not more. Hon. Members would be aware of what I stated in the Lok Sabha when I moved this Bill that the Central Warehousing Corporation is also trying to go ahead with the storage of jute and tea. These two articles are very important from our point of view for exports. Now to implement the price support scheme of the Central Government which has been drawn up by the Commerce Ministry, storage facilities for jute are absolutely necessary and we have accepted the demands made by the Ministry of International Trade as regards warehousing of jute. We have agreed that we might be in a position even to stock about 5 lakh bales which would mean that the space required would be as much as to stock 50,000 tons of foodgrains. From this the House can realise the magnitude of the warehousing facilities that we would be giving for implementing the Government's programme of price support to this commodity, namely, jute. We have also, in fact, negotiations for according facilities for warehousing for tea. Of course, we have not finalised the agreement, but I think I can mention it to the House that we are on the threshold of a successful negotiation with the Commerce and Industry Ministry, the tea industry and the Port Commissioners, Calcutta for undertaking this warehousing of tea

in Calcutta and this would have indirectly very many beneficial results for the industry and the country.

Sir, the progress, although it has not been spectacular, has been quite impressive and we have got storage capacity to the extent of 6 lakh tons. We have also been having the gross incomes as stated here by me just now. But hon. Members may naturally put me the question; How far have the agriculturists been benefited? Have the expectations that were raised when the measure was enacted in 1956 been fulfilled or not? Sir, I have here some figures with regard to the pattern of warehousing. As I said, there are as many as 87 commodities which are being received for warehousing. I have to admit that, at present, the major portion of the business comes from the trade, that is to say, from the merchants, although the object was to give facilities to the producers mainly. But that is not because we show any preference to the merchants or to the trade, but because the producers are not taking advantage of the warehousing facilities as they should. The latest position as on 31.3.62, is like this. Twelve per cent, is from the producers.

MR. CHAIRMAN: Mr. Thomas, I am sorry to interrupt you. If you are proposing to finish very soon, you may do so. I would like to give the last five minutes for a Government statement to be made by Shri Dinesh Singh.

SHRI BHUPESH GUPTA: Let us have the Statement, Sir.

SHRI A. M. THOMAS: I am finishing, Sir.

Whereas producers account for 12 per cent., only 2 per cent, have gone to co-operatives. Another 20 per cent, is taken up by the Government, that is to say, by the foodgrains of the Government of India received for being warehoused in the warehouses of the Central Warehousing Corporation. The rest of the business is from individuals, other than producers and co-operatives and the Government, mainly from merchants. I may also

add that the proportion of the producers taking advantage of this facility is registering an increase. Although it is only 12 per cent, it is much more than what it was when this work of warehousing started. I may also say that as far as some of the States are concerned, more and more agriculturists are taking advantage of this facility. For example, in Andhra Pradesh in the Central Warehouses, except one godown which has only 12 per cent, used by producers, the other godowns have as much as 46 per cent, and 47 per cent, used by producers. So wherever the farmers are progressive and know the benefits of warehousing in the godowns, they take advantage of them more and more. So also in Maharashtra.

SHRI AKBAR ALI KHAN (Andhra Pradesh): More publicity also is needed.

SHRI A. M. THOMAS: Yes, publicity also we are conducting in the regional languages, apart from what is done in the official languages. In Maharashtra also, as in Andhra Pradesh, the agriculturists are more progressive and they take benefit of the warehousing facilities and there the percentage for the producers is as much as 50 per cent. In Akola it is 52 per cent. In other States they are not so progressive. Where the agriculturist is progressive, as in Maharashtra and Andhra Pradesh, more and more agriculturists and more and more producers are taking advantage of the warehousing facilities. We are, in fact, trying our utmost to see that the producers and the co-operative societies take more and more advantage of the warehousing facilities. We are also offering certain concessions to the co-operative societies in the matter of warehousing charges, for these co-operative societies are given 16 per cent, reduction in these charges. Therefore, the agriculturists should, combine themselves into co-operatives so that they may benefit from this for their own sake.

Sir, at this stage I have nothing more to say. I move.

*The question was proposed*

MR. CHAIRMAN: Before I ask hon. Members to speak on this, I would like Shri Dinesh Singh to make his statement.

### STATEMENT RE SITES FOR INSTALLATION OF NUCLEAR POWER STATIONS

THE DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DINESH SINGH): Sir as the House is aware, the Department of Atomic Energy appointed a Committee in August, 1962, for selection of suitable sites for locating nuclear power stations, whose construction might be undertaken during the Third and Fourth Plan periods. The Committee was headed by Shri M. Hayath, former Chairman of the Central Water and Power Commission and consisted of the Member for Hydro-electricity of the Central Water and Power Commission and senior scientific and technical officers of the Atomic Energy Establishment, Trombay. The terms of reference of the Committee were:

- (i) to select a suitable site for a nuclear power station of the CANDU type, 200MW in the general area of Delhi-Punjab-Rajasthan-Uttar Pradesh. The site should preferably be capable of having a second unit of 200MW added at a later date.
- (ii) to select about six other suitable sites for nuclear power stations in the rest of India so as to have a list available for use whenever the need arises, for locating further nuclear power stations in the country, during the Third and Fourth Five Year Plans. At least one such site should be in South India, preferably in the Madras State. These sites should be placed in order of suitability.