

[Shri P. Ramamurti.]

Such a thing has happened because of certain laws passed by the States. What are they going to do about this? That is what I wanted to know.

SHRIMATI TARKESHWARI SINHA: The hon. Member will get many opportunities of saying these things again and repeating these arguments and Government will also find a better opportunity than this Bill to defend itself and the Government has also much substance with which to defend itself. Therefore I do not want to take the time of the House in replying to such matters now.

THE VICE-CHAIRMAN (SHRI DAHYABHAI V. PATEL): The question is:

"That the Bill further to amend the Estate Duty Act, 1953, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

THE VICE-CHAIRMAN (SHRI DAHYABHAI V. PATEL): We shall now take up clause by clause consideration of the Bill.

Clauses 2 and 3 were added to the Bill.

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

SHRIMATI TARKESHWARI SINHA: Sir, I move:

"That the Bill be returned."

The question was put and the motion was adopted.

THE RESERVE BANK OF INDIA (AMENDMENT) BILL, 1960

THE DEPUTY MINISTER OF FINANCE (SHRIMATI TARKESHWARI SINHA): Sir, I beg to move:

"That the Bill further to amend the Reserve Bank of India Act, 1934, as passed by the Lok Sabha, be taken into consideration."

Sir, this is a very simple Bill, and the House, I believe, is already aware of the circumstances in which it has been considered necessary to introduce these amendments in the Reserve Bank of India Act. I shall not therefore, take up a great deal of the time of the House.

Of the two amendments which have been proposed, the one relating to small-scale industries is more important.

It is not necessary for me to point out that small scale industries all over the world are faced today with problems which are somewhat different from those of large or medium-sized industry. Even in the United States, the need for the special treatment of these units has been recognised. The Small Business Administration in that country has been doing useful work for several years, and small scale units are also given some preferential treatment by Government departments. In Japan, where particular attention is being paid to the credit needs of small-sized industrial units, financial support is available to these units from various sources, such as the Trust Funds Bureau Special Account, the Industrial Bank, the Peoples' Finance Corporation, the Credit Guarantee Association and the Credit Insurance Organisation. Commercial banks, I understand are also enabled to function as the agents of various specialised credit institutions in Japan for the purpose of granting loans to industry.

As this House is, perhaps aware, we have in our own country tried, both in the First and the Second Five Year Plans, to provide for a substantial measure of assistance to small-scale industrial units. This assistance has taken various forms. We have been encouraging the State Gov-

ernments, for example, to grant loans to such units, under the State Aid to Industries Act. There is an Act specifically for this. Where the amounts involved are small, these loans are being granted at concessional rates of interest and against personal bonds and sureties, if necessary. The loans are also available for comparatively long periods, that is up to 7 or 10 years. In view of our initiative and the financial responsibilities which we have undertaken in regard to this matter, the Industries Departments in the various States and Union Territories are now quite active, and I believe that a sum of Rs. 7 crores has been lent to the various units in the three years ending 1958-59.

We have authorised the construction of nearly a hundred industrial estates. This experiment, I am glad to say, has been so useful and successful that the newly established Rehabilitation Industries Corporation has also been encouraged to undertake similar or comparable schemes. The National Small Industries Corporation, which we brought into existence about five years ago, has also expanded its activities recently and is now providing assistance to the small and relatively unorganised sector of Indian industry in several directions, for example, by securing Government contracts for the products of these small-scale units, by establishing marketing depots where these products can be received and sold otherwise, and also by the sale of imported machinery on hire-purchase terms to new or expanding business units. I should also perhaps add that it also guarantees a portion of the loans granted to these units by the State Bank of India.

The State Bank for its part has been operating since 1956 a scheme for the grant of liberalised assistance at its branches and since the 1st January, 1959, this scheme has been extended to all its branches. The Bank has set up a Central Coordination

Committee for supervising the implementation of this scheme and for introducing such improvements as may be necessary or possible from time to time. The subsidiaries of the State Bank of India are now in the process of extending these benefits to the areas in which the State Bank of India is for some reason or other not adequately represented.

We have been reviewing the results of these efforts from time to time. We feel in the context of the rapid development which is now taking place and the size of the investment, particularly in this sector, which is envisaged in the Third Five Year Plan, the credit facilities which are now available to small-scale industrial units should be further liberalised. The commercial banking system, in our view, can be encouraged to lend relatively greater amounts to these units and also to take some special interest in their problems, if a system of guarantee of the loans granted to deserving enterprises can be brought into force.

This particular problem has accordingly been examined at some length. Our task has been facilitated to some extent by the first-hand study of similar problems by the two delegations of Indian bankers which visited the U. S. A. and Japan in 1958 and 1959 under the training programme of the Technical Cooperation Mission of the United States, and by the discussions which were held last year at Hyderabad. We have also had the benefit of the advice given to us by the Reserve Bank and by certain other leading banks, including the State Bank of India.

The detailed scheme, as it has now emerged, provides for the levy of a small fee from the industrial units which are being assisted for limiting the guarantee to a portion of the loans and also to a fixed amount in each case and for a relatively greater mea-

[Shrimati Tarkeshwari Sinha.]

sure of help to the smaller units. We hope to finalise the scheme and to bring it into force in the very near future. It will, I am sure be adequate and satisfactory from the point of view of all progressive and well-run enterprises.

Sir, we have entrusted the day-to-day management and implementation of this scheme to the Reserve Bank of India because it is the agent and expert adviser of the Central Government in all financial matters. I should perhaps point out that the interest which the Reserve Bank has taken in this matter has been so great and the Bank's outlook and approach in regard to the problems of small and medium-sized industries generally has been so constructive and sympathetic that the choice of the Reserve Bank, as the agent of the Central Government for this purpose, can, even otherwise, be abundantly justified.

We are going to try out this credit guarantee scheme as an experiment for some time. We hope that when the period for which this experiment is to be tried comes to an end, the scheme will have become popular, well-established and also self-balancing, so that the permanent arrangements which are intended to replace the scheme need not involve any substantial or recurring loss.

Sir, the other provision in this Bill is intended to enable the State Financial Corporations and certain other notified institutions to borrow from the Reserve Bank of India for periods up to eighteen months. This is based on the existing provision in regard to similar loans in the case of the Industrial Finance Corporation and it does not need any further explanation.

I move that the Bill, which has been passed unanimously by the other House, be taken into consideration.

The question was proposed.

DR. R. B. GOUR (Andhra Pradesh): Mr. Vice-Chairman, I would surely not allow my friend, the Deputy Finance Minister, to go away with the idea that this House is not going to give its unanimous support to this Bill, because after all when the Government is trying to draw upon the liquidity of the banks, it is good, particularly more so if it is for the purpose of developing our small-scale industries, which are most neglected at present and whose financial difficulties are well known. But I would like to take this opportunity to ask the Government to have a little more courage in these matters. We know that the liquidity of the banks or the deposits in the banks have increased from Rs. 1500 crores in 1958 to Rs. 1845 crores by the end of 1959. That is the position. Now, this vast liquidity of the banks is coming in the way of the healthy development of the banking industry itself. For example, it is quite evident that with this great liquidity, their dependence on the Reserve Bank of India is becoming less and to that extent they are getting out of the control of the Reserve Bank. In fact, it is the other way round. The Reserve Bank is passing under the control of private bankers. As we know, for example, Mr. M. M. Chokshi himself said—it is an article in the industrial survey number of the "Hindu"—that the Reserve Bank is consulting the bankers as to what steps the Reserve Bank should take. Later on, Mr. Mody has picked up courage, has asked the Reserve Bank to form a joint council and has said that the steps that the Reserve Bank take should be taken after consulting the bankers. Therefore, it is in the interests of the bankers that the Reserve Bank has to act. Now, the bankers themselves are worried as to what to do with the huge money that is being deposited with them. So, the Reserve Bank came forward and said: "We guarantee, you come round and pay this amount to the small-scale industries. Your interest is safe." It is useful in two ways. It serves the small-scale industries as well as the poor commercial bankers. I stress

the word "poor". However, is this enough for you? So far only the State Bank of India and its subsidiaries were trying to help the small-scale industries through the counterpart funds, the P.L. 480 funds, that are deposited with them, and every year the question was being raised that the private commercial banks should enter the field. We know from the advances position of the banks that industrial advances are hardly a matter of attraction for the private banks. When I say this, they will jump up and say: "From the Reserve Bank figures you can see that so much money is advanced to industries." But they are only short-term loans to industries. They are meant only for working capital. It is also quite true that industrialists convert these short-term loans into medium-term loans. That is a different matter altogether, but they are short-term loans.

The Governor of the Reserve Bank in his speech to the Institute of Bankers last year said that the banks must now enter the field of advancing medium-term loans or long-term loans to industries. With so much of public savings in the private banks, to the tune of Rs. 1,845 crores, you can see very well that a developing economy must have to draw on the resources so garnered by private banking concerns. After all that is the saving of the country. The depositors in our country have deposited that amount with the banks, and the banks are the instruments for mopping up the savings of the people. Therefore, it is but natural that a Government which is guiding the destinies of a Plan in a developing economy of a country has the right to draw on the liquidity of the banks. Therefore, morally the Government of India will be amply justified to draw on this liquidity. In fact I want that the Government of India must do more. After all private bankers are not creating money. It is only public deposits. When the Reserve Bank is guaranteeing these loans, it means that the private banks are to that extent saved of the risk. If any commercial bank in the ordi-

nary market advances a loan to any small-scale industry or for that matter to any business concern, it is taking a risk on its own accord, and therefore it is justified in charging a certain amount of interest. But when the State is entering into the field, when the State is entering as a guarantor to these loans, obviously the risk part of it goes. The returns are guaranteed. Therefore, I would like to know from the Government whether they would say that the commercial banks will be allowed to charge the same interest which they are normally charging to a party who is drawing on them.

When the Government is coming into the picture through the Reserve Bank of India for guaranteeing these loans, the Government will be obviously spending something on it. I think the Government will be justified in asking the commercial banks to charge less, because the small-scale industries need that concession. The small-scale industries suffer under a very great disability from the point of view of finance. Even if the loans are to go to the small-scale industries as medium-term loans for expansion, for building up fixed assets, and so on, they would then be more particularly requiring a concession in the interest. Now I would like to know, when the Government is coming in as a guarantor, why should the commercial banks be allowed to charge the same interest as they normally charge a party where they are taking a risk because it is quite possible that the party may go into liquidation? In that case they may lose the amount. I would like to know what guarantee they are taking in this respect.

Another guarantee that I would like to seek from the Government is this. Already bankers are discussing certain things. When they see that the deposits are rising, they are discussing how to curb this tendency for deposits and how to earn more from advances. They are discussing that the October 1958 Agreement has not helped them. They say that. They

[Dr. R. B. Gour.]

are not sure whether that has helped them or not. Now they say: "Let us further bring down the interest on the deposits". They want to reduce the cost of the deposits by bringing down the interest on the deposits or by closing down certain branches. They want to reduce the cost of the deposits, and they want to increase their earnings from lending. These are the two points they are discussing. In fact no less a person than Mr. Kulkarni Financial Adviser to the State Bank of India, wrote an article in the "Hindu", Industrial Survey Number, suggesting reduction in the cost of deposits and increase in the cost of lending. This is what he himself suggested. If the interest on deposits is reduced, do you not think, Sir, that the tendency to deposit will be curbed? Is it a proper thing? The second point is, if they are allowed to increase their lending rate, do you not think that the parties who are in great need of advances will be under a handicap? If the bankers are allowed to raise their lending charges, what will happen in that case? Will the small-scale industries also give the increased interest on their borrowings, even though the Government of India is the guarantor? These are very valid points. I would, therefore, request the hon. Finance Minister to say categorically that both these tendencies are not proper and healthy. In fact the tendency to reduce the interest on deposits or to raise the interest on lending is going to act against the depositors as well as the needy party who wants to carry on his business. Therefore, this is another valid point to consider as to whether you are going to put your foot firmly down or not on this anti-national tendency on the part of the private bankers who want to earn more at the cost of the depositors as well as at the cost of the needy party who wants advances.

Another point I would like to raise in this connection, because the total picture is not before us, is this. It is

evident now that the Government of India is coming in as a guarantor for the small-scale industries. When the Government of India comes into the picture, red-tape begins to increase. After all the small-scale industries are directly catered to by the State Governments. The State Governments examine their position. The Reserve Bank as a guarantor for the Central Government will be drawn into the picture. For example, speaking about the State Bank of Hyderabad, from which place I come, the State Bank of Hyderabad draws on the PL 480 Funds and advances credit to the small-scale industries. Even so there is great delay and the small-scale needy concerns find it very difficult to get the money. When the Government of India comes into the picture, what is the guarantee, what steps would be taken, that the amount asked for would be given to the party concerned with the least possible delay? Are you going to accept the position that the State Government which is your own Government will on your behalf act as an agent to guarantee, to tell the Reserve Bank "here is a small-scale industry in our State which needs this loan and this advance"? Or, will it be necessary that all the schemes should be sent to the Government of India? I have got some experience of small irrigation scheme loans. A small irrigation scheme is an entirely State subject. In a case where the Central Government is giving the loan, all schemes would be sent to the Government of India, to the Technical Committee of the Central Water and Power Commission, and all sorts of things are brought in. The result is that by the time your grant comes, the financial year is over and the small irrigation scheme is not taken up. Therefore, in these days of small-scale industries, will you or will you not accept the recommendation of the State Government as final? And it is only on the basis of that recommendation that the Reserve Bank will stand guarantee and the amount will be forthcoming. Or, will the Finance Ministry of the Government of India

step in and like to get the whole thing re-examined or examined *de novo* for further details to be furnished?

The last point that I would like to make in this connection is that here also I should say a certain discrimination will have to be made in advancing these moneys. We know we have got certain States or certain regions which are very very backward. So, special attention will have to be paid to the small-scale industries of those regions where the average *per capita* income is very low. Suppose, for example, there is a small-scale industrial scheme from Bombay City and another from some part—say in the Parbhani District in Maharashtra—then priority will have to be given to the small-scale industry that exists in that backward region of the State. Therefore, there must be explicit directives to the State Governments concerned and the Reserve Bank in regard to this. These are the points which are very valid and these have to be considered when advances are made to small-scale industries for their development.

With these words, I commend this Bill and I expect that the Deputy Minister will be kind enough not to make haste and give some sort of a reply. If proper consultation and discussion are needed at the Ministerial level, let her do so but let her not simply wash away her hands by saying that there is nothing to be worried about.

These are the points that I wanted to make out.

SHRI K. SANTHANAM (Madras): Sir, I wish to make only one point. I entirely agree that it is essential to assist the small-scale industries and to give them the utmost possible help. But the main issue that I want to raise is, which is to be the authority that is to take the primary responsibility for the development of the small-scale industries? Is it to be the State Government or the Central Government? If it is to be the State Government, why should not the Reserve Bank act

as the agent of the State Government for underwriting the small-scale industries? If it is to be the Central Government which underwrites the small-scale industries, I think the process of centralisation will cause a great deal of havoc. My hon. friend, who spoke before me has already raised a point—there will be State rivalries. One State will say that the Centre is favouring that State and the other will say that they are not giving loans to its industries. Sir, it is said in sub-clause (d) of clause 2—

“any small-scale industrial concern approved by the Central Government.”

Why should every small-scale industrial concern come to the Centre for approval? I think the whole principle is wrong. This process of centralisation is going on while all our leaders are speaking about democratic decentralisation. This is neither decentralisation nor democracy. The Industries Department wants to establish its empire over all industries. The proper region for the Centre to have its control over is that of the big industries, not even the medium industries. To some extent I can grant that they should interfere in medium industries. But why should they go and have any direct connection with the small-scale industries? Why should we not entrust the State Governments with this? Give them whatever assistance, whatever funds, whatever loans are needed and tell them that if any small-scale industry does not make good its loss and goes into liquidation, the liability will be theirs, that they must be responsible to their legislature and that they must make good the loss. Why should Parliament here make good the loss of some match factory in some corner of the country or some leather concern? These concerns must be developed. We want thousands and thousands of these concerns. Do we want the Central Government to keep a watch over every little concern and guarantee the loans which any bank may give to that concern? The Reserve Bank and

[Shri K. Santhanam.]

the State Bank are the proper agencies for this purpose. I agree that the Reserve Bank . . .

DR. R. B. GOUR: May I interrupt the hon. Member? It is because the banks are refusing to accept the guarantee of the State Government so far as my knowledge goes. In fact, the debentures of the Land Mortgage Banks have a guarantee from the State Government but even against those debentures the banks are not advancing any loans. I do not know why.

SHRI K. SANTHANAM: I do not believe that the Reserve Bank has not enough trust in the State Governments to guarantee the loans. As a matter of fact, the State Governments are drawing large amounts from the Reserve Bank for all kinds of purposes.

DR. R. B. GOUR: The Scheduled Bank is there.

SHRI K. SANTHANAM: The point is this. If a small concern fails on account of inefficiency or mismanagement, why should the Centre take up the responsibility for it? Is it to have a large agency of supervision? Then, another thing is that if it is centralised, the small-scale industries will become the preserves of large-scale capitalists. This is already happening in the case of the Industrial Estates. If you take a census of the so-called small-scale industries started in these Industrial Estates, you will find that many of them are simply ancillary concerns started by large-scale industrialists. The small entrepreneurs will not have any deal if they have to go to the Centre. You must leave it to the States, this question of the development of the small-scale industries. Give them all the technical assistance, all the financial assistance. Help the States to encourage them but fix the responsibility upon them and tell them that the Centre will not be responsible for any loss. That is why I have tabled an amendment saying that for the words "Central Govern-

ment" the words "State Government" be substituted. Whether the Minister accepts it or not, it does not matter to me. I want to make my voice heard that the principle of centralisation is wrong, and the Central Government should persuade the State Governments to take upon themselves the main responsibility for financing the small-scale industries or for underwriting their capital and expenditure.

شری فریدالحق انصاری : (۱)

پردیہ) : جذاب و انس چیمین صاحب - مجھے خوشی ہے کہ آج اس ہاؤس کے سامنے یہ ریزرو بینک آف انڈیا (املمڈملٹ) بل ۱۹۶۰ آیا ہے - آپ کو یاد ہوگا کہ ابھی اس مہینہ کے شروع میں پلڈت جواہر لال نہرو نے آل انڈیا میٹروپولیٹن کپورس آرگنائزیشن کی میٹنگ میں یہ افسوس ظاہر کیا تھا کہ ملک میں آج سال سکیل انڈسٹریز کی حالت ٹھیک نہیں ہے - انہوں نے یہ بھی بتایا کہ حالت کیوں ٹھیک نہیں ہے اور وہ یہ کہ دستخطی ہے جو سیمی گورنمنٹ فائیلیٹیشن آرگنائزیشن بلے ہیں وہ سال سکیل انڈسٹریز کو لون نہیں دیتے ہیں - انہوں نے یہ بھی ظاہر کیا کہ یہ بات ٹھیک نہیں ہے اور چونکہ سال سکیل انڈسٹریز کو فائیلیٹس کی ضرورت ہے اس لئے یہ رکاوٹ جو ان کے پیچ میں ہے ختم ہونی چاہئے - ملک میں اس کا چرچا ہوا اس لئے کہ ظاہر ہے کہ جب پلڈت جواہر لال نہرو کسی بات کو کہتے ہیں تو اس کا ملک میں چرچا ہوتا ہے اور ان کی دولت کی پارتی

باوجود کسی بات کو ٹھیک سمجھنے کے یا غلط سمجھنے کے انکی بات ماننے کے لئے تیار ہو جاتی ہے۔ جب اس کا چرچا ہوا اور یہ سوال اٹھایا گیا تو ہمارے فائلینس منسٹر نے وجہ بتائی کہ کیوں یہ حالت ہے کہ سال سکریل انڈسٹریز کو انڈسٹریل فائلینس کارپوریشن قرضہ نہیں دیتا ہے۔ انہوں نے وجہ یہ بتائی کہ قرضہ اس وجہ سے نہیں دیا جاتا ہے کہ ریززرو بینک اس لون کی گارنٹی نہیں کرتا ہے۔ اس کے علاوہ جو چایان کی ایکسپورٹ ٹیم آئی تھی اس نے بھی یہ کہا تھا کہ سال سکریل انڈسٹریز کی ترقی میں سب سے بڑی رکاوٹ فائلینس کی ہے۔ ان سب باتوں کے ہوتے ہوئے یہ بل پیس ہوا ہے اور اس کے ایمس اینڈ آبجیکٹس کو دیکھتے ہوئے میں یہ سمجھتا ہوں کہ گورنمنٹ نے یہ قدم ٹھیک اٹھایا ہے۔ اس کے ساتھ ساتھ میں یہ بھی محسوس کرتا ہوں "جیسا کہ میرے قابلِ دوست منسٹر سسٹھانم نے ابھی کہا اور ہم سب یہ مانتے ہیں کہ قی سنگر لائزیشن ہونا چاہئے۔ جتنا زیادہ سے زیادہ قی سنگر لائزیشن ہوگا اتنا زیادہ سے زیادہ عام لوگ اس میں حصہ لیں گے اور ان کو فائدہ پہنچے گا۔ مگر جو طریقہ گورنمنٹ نے نکالا ہے اس کے لئے انہوں نے بالکل ٹھیک کہا کہ اس طریقہ سے تو سینئر کی بیوروکریٹک مشین مضبوط ہو جائے گی اور پھر کوئی بات چلنے نہیں پائے گی۔ میں ان سے

بالکل اتفاق کرتا ہوں اور گورنمنٹ کو اس بات پر بھی غور کرنا چاہئے۔

ڈاکٹر راج بہادر گور : اور سٹیٹ گورنمنٹیں سٹارے لگائی دھیں گی۔

شری فریدالحتی انصاری : لیکن

سٹیٹ گورنمنٹس کو اس معاملہ میں پوری آزادی دینی چاہئے، ان کے بیچ میں رکاوٹ نہیں پیدا کرنی چاہئے ورنہ ہم کو آگے چل کر بڑی مشکلات پیس آئیں گی۔ چونکہ یہ بل وقت کی ضرورت کو پورا کر رہا ہے اس لئے میں اس کو سپورٹ کرتا ہوں۔

اسی کے ساتھ ساتھ میں ایک بات اور گورنمنٹ سے کہنا چاہتا ہوں اور وہ یہ کہ آج یہاں یہ بل پیس ہوا اور اس بل کے ساتھ ہی ایک اور بل ریپرینٹیشن آف پیوپلس ایکٹ میں امینڈمنٹ کے لئے پیس ہوا۔ ان دونوں پر بحث سے صاف پتہ چلتا ہے کہ یہاں پارلیمنٹ میں اپریشن کتنا ریژن ایبل ہے اور اس کا کتنا صحیح نقطہ نظر ہے۔ اگر گورنمنٹ کوئی ایسا بل لاتی ہے جو کہ واقعی عوام اور ملک کے فائدہ کے لئے ہے تو اپریشن خوشی سے اس کو سپورٹ کرتا ہے لیکن اس کے برخلاف جیسا کہ ریپرینٹیشن آف پیوپلس (امینڈمنٹ) بل کے بارے میں آپ نے دیکھا کہ گورنمنٹ نے ایک غلط قدم اٹھایا تو اس کی ہم نے مخالفت کی۔ یہاں تک کہ گورنمنٹ کی پارٹی کے لوگوں نے بھی یہ مانا کہ گورنمنٹ نے غلط قدم اٹھایا

[شری فریدالحق انصاری]
ہے، لیکن پھر بھی گورنمنٹ اپنی ہمت
پر قائم رہی -
ڈاکٹر راج بہادر گور : راج ہمت
ہے -

شری فریدالحق انصاری : اور اپنی
میں بھارتی سے اس کو پاس کرایا - یہ
ایک عجیب تماشا ہے۔ سامنے آج
آیا - بہر حال ان چلڈ الفاظ کے ساتھ
میں اس بار کو سپورٹ کرتا ہوں -

†[شری فریدالحق انصاری (उत्तर प्रदेश):
जनाब वाइस चैयरमैन साहिब, मुझे खुशी है
कि आज इस हाउस के सामने यह रिजर्व
बैंक आफ इंडिया (एमेण्डमेण्ट) बिल, १९६०
आया है। आपको याद होगा कि अभी इसी
महीने के शुरू में पंडित जवाहरलाल नेहरू
ने आल इण्डिया मैन्यूफैक्चरर्स आर्गोनाइजेशन
की मीटिंग में यह अफसोस जाहिर किया था
कि मुल्क में आज स्माल स्केल इंडस्ट्रीज की
हालत ठीक नहीं है। उन्होंने यह भी बताया
कि हालत क्यों ठीक नहीं है और वह यह कि
बदकिस्मती से जो सेमी गवर्नमेंट फाइ-
नेन्शल आर्गोनाइजेशन बने हैं वह स्माल
स्केल इंडस्ट्रीज को लोन नहीं देते हैं। उन्होंने
यह भी जाहिर किया कि यह बात ठीक नहीं
है और चूंकि स्माल स्केल इंडस्ट्रीज को फाइ-
नेंस की जरूरत है इसलिये यह रुकावट जो
उनके बीच में है खत्म होनी चाहिये। मुल्क
में इसका चर्चा हुआ इसलिये कि जाहिर है
कि जब पंडित जवाहरलाल नेहरू किसी बात
को कहते हैं तो उसका मुल्क में चर्चा होता है
और उनकी रूलिंग पार्टी बावजूद किसी बात
को ठीक समझने के या गलत समझने के उनको
बात मानने के लिये तैयार हो जाती है।
जब इसका चर्चा हुआ और यह मवाल उठाया
गया तो हमारे फाइनेंस मिनिस्टर ने वजह
बताई कि क्यों यह हालत है कि स्माल स्केल

इंडस्ट्रीज को इंडस्ट्रियल फाइनेंस कार्पोर-
रेशन कर्जा नहीं देता है। उहोंने वजह यह
बताई कि कर्जा इस वजह से नहीं दिया जाता
है कि रिजर्व बक इस लोन की गारण्टी नहीं
करता है। इसके अलावा जो जापान की
एक्सपोर्ट टीम आई थी उसने भी यह कहा था
कि स्माल स्केल इंडस्ट्रीज की तरक्की में
सबसे बड़ी रुकावट फाइनेंस की है। इन सब
बातों के होते हुए यह बिल पेश हुआ है और
इसके एम्स एण्ड आबजैक्ट्स को देखते हुए
मैं यह समझता हूं कि गवर्नमेंट ने यह कदम
ठीक उठाया है। इसी के साथ-साथ मैं यह भी
महसूस करता हूं जैसा कि मेरे काबिल दोस्त
मिस्टर स थानम ने अभी कहा और हम सब
यह मानते हैं कि डिसेंट्रलाइजेशन होना चाहिये
जितना ज्यादा से ज्यादा डिसेंट्रलाइजेशन होगा
उतना ज्यादा से ज्यादा आम लोग उसमें
हिस्सा लेंगे और उनको फायदा पहुंचेगा।
मगर जो तरीका गवर्नमेंट ने निकाला है उसके
लिये उहोंने बिल्कुल ठीक कहा कि इस तरीके
से तो सेंटर की ब्यूरोक्रेटिक मशीन मजबूत
हो जायेगी और फिर कोई बात चलने नहीं
पायेगी। मैं इससे बिल्कुल इत्फाक करता हूं।
और गवर्नमेंट को इस बात पर भी गौर करना
चाहिये।

डॉक्टर राज बहादुर गोड़ : और स्टेट
गवर्नमेंट्स सितारे गिनती रहेंगी।

श्री फरीदुल हक अन्सारी : लेकिन स्टेट
गवर्नमेंट्स को इस मामले में पूरी आजादी
देनी चाहिये। उनके बीच में रुकावट नहीं पैदा
करनी चाहिये वरना हम को आगे चल कर
बड़ी मुश्किलात पेश आयेंगी। चूंकि यह बिल
वक्त की जरूरत को पूरा कर रहा है इसलिये
मैं इसको सपोर्ट करता हूं।

इसी के साथ-साथ मैं एक बात और
गवर्नमेंट से कहना चाहता हूं और वह यह कि
आज यहां यह बिल पेश हुआ और इस बिल
के साथ ही एक और बिल रिप्रेजेंटेशन आफ
पीपुल्स एक्ट में अमेंडमेंट के लिये पेश हुआ।

उन दोनों पर बहस से साफ पता चलता है कि यहां पार्लियामेंट में अपोजीशन कितना रीजनेबिल है और उसका कितना सही नुक्ताएनजर है। अगर गवर्नमेंट कोई ऐसा बिल लाती है जो कि वाकई अवाम और मुल्क के फायदा बिल के लिये है तो अपोजीशन खुशी से इसको सपोर्ट करता है लेकिन इसके बरखिलाफ जैसा कि रिप्रेजेंटेशन आफ पीपुल्स (अमेंडमेंट) बिल के बारे में आपने देखा कि गवर्नमेंट ने एक गलत कदम उठाया तो उसकी हमने मुखालफत की। यहां तक कि गवर्नमेंट की पार्टी के लोगों ने भी यह माना कि गवर्नमेंट ने गलत कदम उठाया है। लेकिन फिर भी गवर्नमेंट अपनी हठ पर कायम रही।

डॉक्टर राज बहादुर गौड़ : राजहठ है।

श्री फरीदुल हक अन्सारी : और अपनी मैजोरिटी से इसको पास कराया। यह एक अजीब तमाशा हमारे सामने आज आया। बहरहाल इन चन्द अलफाज के साथ मैं इस बिल को सपोर्ट करता हूँ।]

SHRI JASPAT ROY KAPOOR (Uttar Pradesh): Mr. Vice-Chairman, Sir, I extend this measure a cordial welcome and extend to it my whole-hearted support. Sir, this measure was declared by the hon. the Deputy Minister to be a simple measure. No doubt it is a simple and a very small measure, but it is full of potentialities for industrial, particularly small-scale-industrial development. I think our Finance Minister had a fine stroke of imagination when he entrusted the piloting of this measure to the hon. Deputy Minister, because this measure is going to shower and confer prosperity on the small-scale industrialists, and a large number of unemployed persons will be employed, and according to Indian tradition and belief prosperity is showered by Lakshmi, and Lakshmi could not be better represented than by our hon. the Deputy Minister, who is piloting this measure

SHRI AKBAR ALI KHAN (Andhra Pradesh): Which Lakshmi you are referring to? Here is Lakshmi Menon also before me.

SHRI JASPAT ROY KAPOOR: We have Lakshmi of this measure before our own eyes.

SHRI H. P. SAKSENA (Uttar Pradesh): Anybody who brings money is Lakshmi to my friend.

SHRI JASPAT ROY KAPOOR: Small-scale industries, Sir, are rapidly developing in our country; they have developed to a very large extent, even beyond the expectations of many of us, during the last two years or so. It is all due to the very great patriotic urge and dynamism of Mr. Manubhai Shah who is dealing with this department under the wise and sagacious leadership of Shri Lal Bahadur Shastri. Sir, for the development of an industry, for running an industry successfully, capital is needed, and capital is needed for three things—firstly, for machinery; then, secondly, for land and buildings; and thirdly, capital as working capital. Now, so far as the financing of machinery is concerned, the National Small Industries Corporation is rendering very useful help in this direction. This Corporation under its hire-purchase scheme provides new machinery to any entrepreneur by advancing 80 per cent of the price of the machinery; only 20 per cent. of its price has to be found by the entrepreneur. But so far as land and buildings are concerned, this Corporation cannot render any assistance. And, thirdly, so far as working capital is concerned, the small-scale industrialists find themselves in a very difficult position. Now, Sir, so far as land and buildings are concerned, neither the State Bank nor the ordinary commercial banks provide any money—they are very conservative in this respect. And even so far as the working capital is concerned, it is only the big industrialists who can pledge large quantities of raw materials which can get any money from the commercial banks or the State Bank. But the small-scale industrialist whose raw material is of

[Shri Jaspat Roy Kapoor.]

a very limited quantity can hardly afford to put it under lock and key with the bank. Therefore, Sir, so far as these two difficulties are concerned, to obtain money for land and building and to obtain money to serve as working capital, this measure will go a long way to remove these difficulties. Then again the ordinary commercial banks, being merely commercial banks running on purely business lines, can ill-afford to advance money with a very small margin. Ordinarily, they do not advance money to the extent of more than 50 per cent. of the goods or property pledged with them. That hardly serves the need of the small-scale industrialist. It was therefore found necessary, Sir, that in order that these small-scale industrialists may be able to have their full financial requirements satisfied that these commercial banks should be persuaded to advance money even up to the extent of 70, 80 or 90 per cent. of the assets mortgaged. Therefore, it was thought that Government should guarantee the risk which these commercial banks would be incurring by advancing a larger percentage; it was considered necessary that some guarantee should be given to them. I hope and trust, Sir, that this scheme will be fully made use of by the commercial banks and they will now be not so conservative as they have been hitherto and they will advance money on much simpler terms. Not only they would be advancing, I hope a higher percentage, but I hope they will also be charging a slightly smaller rate of interest. I say, Sir, a slightly smaller rate of interest because, what is more important from my point of view, is the facilities that should be provided to the entrepreneur rather than a large reduction of interest. If the interest is to be reduced to a large extent, the facilities would be restricted. Sir, I had something to do with the discussions that took place between the Reserve Bank and the State Bank, and the National Industries Corporation and the Small-Scale Industries Board, and I could inform this hon. House that the consensus of opinion

there was that we should not be very particular to insist on reduction of interest but we should particularly insist on and see that the other facilities are increased so that the small-scale entrepreneur may be able to get the necessary money in a short time and to as large an extent as possible. Sir, my hon. friend, Mr. Santhanam's fears appear to be unfounded. He seems to think that every application for loan to any bank would be considered by the Central Government.

[MR. DEPUTY CHAIRMAN in the Chair.]

That is not the scheme. The Central Government would only provide the necessary fund to cover the guarantee. The Reserve Bank would act as the agent of the Central Government.

Now, a question was put by Mr. Santhanam, viz. why should the Reserve Bank not act as agent of the State Government. The answer to that question is that since the Central Government is providing the necessary finances to cover the guarantee, naturally the Reserve Bank will act as an agent of the Central Government.

SHRI K. SANTHANAM: No finances are needed for a guarantee. It is only a promise to pay the loss, if necessary.

SHRI JASPAT ROY KAPOOR: Exactly, the promise is there, but the promise is not a hollow one. It has got to be fulfilled, and naturally every year some amount will have to be earmarked and actually spent in meeting the risk which the commercial bank will undergo.

As I understand the scheme, Sir, an application will be considered by the Reserve Bank or by the State Bank or by any commercial bank to whom the application would be made. Just as these banks have been hitherto considering the applications on their individual merit, they will continue to do even hereafter with this difference only that hereafter they will adopt, while considering these applications, a more charitable, a more

generous, a more helpful attitude particularly in the matter of the margin that they have been insisting on so far. In some sound cases, of course, it is hoped that the commercial banks would be willing to extend advance even up to hundred per cent. of the property mortgaged.

One important benefit that will arise from this scheme is that the small-scale entrepreneur would now be able to get loan against fixed assets not only against machinery, not only against ordinary movable raw material but even against fixed assets and even old machinery, provided the old machinery is serviceably good and of good value. These are very good concessions which are going to be provided for the development of the small-scale industry.

I know, Sir, you are about to call me to stop.

SHRI AKBAR ALI KHAN: You had better yourself stop.

SHRI JASPAT ROY KAPOOR: My friend's advice is a very useful one. I will myself stop instead of being asked to stop by the Chair.

Sir, I only want to say one thing in this connection. Though initially this scheme is going to be made operative only, as I understand, in about 21 districts, I hope and trust within the next six months or at the most a year this scheme would be extended to 50 or more districts in the country. This has got to be extended. I realise that this is a new scheme which is being launched and a certain amount of risk is certainly involved therein, but if we do really mean to help our small-scale industries, a small entrepreneur who is intelligent enough, who is capable, who is enthusiastic enough, who has the necessary capacity to run the industry, he must be generously helped even if in that attempt we lose something.

Sir, these small-scale industries have extended very widely. We have

already established about a hundred estates in the country. There are hundreds and thousands of small-scale industries which have been helped by the Corporation and by the State Governments and by other industrial commercial banks. During the next Five Year Plan, the scheme is to have about 500 industrial estates. Those of us who have the opportunity of seeing some of these industrial estates—I hope my hon. friend, Dr. Gour, has had the opportunity to see these industrial estates flourishing in his own Hyderabad . . .

DR. R. B. GOUR: In Hyderabad the sheds are lying vacant.

SHRI JASPAT ROY KAPOOR: The hon. Member has not been there for a long time. I have been there only recently. I found all those industrial units working so profitably. Sir, if one goes to these industrial estates and looks at the young men with bright faces and with bright hopes for their future career, his heart will be full of joy and exultation. I hope and trust that this scheme will be extended rapidly.

SHRIMATI TARKESHWARI SINHA: Mr. Deputy Chairman, Sir, I once again express my gratefulness for the approval that the House has given to this Bill. Sir, the first point, with regard to liquidity was raised by Dr. Gour. On this point I want to say that according to a notification issued on the 11th March, 1960, to which he pointed out, 25 per cent. of the increase in commercial banks' deposits are to be deposited with the Reserve Bank. As the House knows . . .

DR. R. B. GOUR: That is subsequent to 11th March 1960.

SHRIMATI TARKESHWARI SINHA: If the hon. Member will allow me to proceed, I might be able to explain because I have just started.

SHRI AKBAR ALI KHAN: He is very impatient.

SHRIMATI TARKESHWARI SINHA:

As the House knows, under section 42(1)(a) of the Reserve Bank of India Act, this is purely an anti-inflationary measure and has no connection whatsoever with the credit guarantee scheme for which the present Bill has come. The credit guarantee scheme was recommended long ago, in July 1959, at a conference in Hyderabad, which the hon. Member is very well aware of, and was accepted by the Small-scale Industries Board at its Puri session held in October, 1959, long before this notification regarding special deposits was issued in March 1960. It has absolutely no connection or no overlapping business.

Now, so far as this question of interest is concerned, I may inform the hon. Member here, the State Bank and other financial institutions which are in the public sector are trying to work out a formula of 6 per cent. interest for lending to small-scale industries. I think the hon. Member . . .

DR. R. B. GOUR: Will it apply to commercial concerns also?

SHRIMATI TARKESHWARI SINHA:

I am just coming to that. I expect some patience from the hon. Member. I shall try to satisfy him on all the points that he has raised.

Sir, I think the hon. Member has been inspired by some of the words of the Estimates Committee in their 77th Report. While speaking of this guarantee, they themselves appreciated this fact and felt concerned about this. They say that the success of this scheme will largely depend on the rates of interest and the terms relating to the scheme allowed by the credit institutions being placed on a parity with the terms on which loans are given by the Government. I do appreciate the concern of the hon. Member and also the concern of the House in this matter. The Government is also very much concerned

that something should be done in regard to the rate of interest. But the Government can advise the credit institutions only in the public sector. Therefore, we have been trying to work out a formula by which we can fix up the rate of interest to an average of 6 per cent. But we do not want to make this guarantee scheme rigid by imposing too many restrictions because this scheme, as it is just coming into operation, is a very infant scheme, going to operate in 21 districts. We want that all the commercial banks should fully co-operate with this scheme and they should not feel, from the very beginning, discouraged in accepting this scheme. Therefore, we think that this is not the opportunity for making conditions so rigid as the commercial banks would not come forward to accept this condition. Actually we cannot compel the commercial banks to give loans on a particular rate of interest. It is only by their discretion that they come to an agreement for lowering the rate of interest or making the rate of interest a little higher. That is their discretion. But we can certainly enforce this consideration on our part by making our own public sector institutions more credit-worthy, and we shall try our best to follow it up by trying to work out a formula in which the rate of interest will be brought to 6 per cent. average. Sometimes, it may be a little higher, sometimes it may be a little lower. I think the other commercial banks will follow the example of the State Bank and other financial institutions but we must await that time.

5 P.M.

Then the hon. Mr. Santhanam and one other Member raised the point about the delay that will be caused by this scheme being operated by the Central Government. So far as Dr. Gour is concerned, he said something about red tape. I do not know how he considers that red tape will come into this. We are not interfering in

this scheme except for laying down a broad groundwork that such and such industry will come under small-scale industries, with a particular capital for a particular industry. For example, we are to see if it goes beyond Rs. 5 lakhs or not. The criterion of small scale industry is up to Rs. 5 lakhs. If the capital of an industry is below Rs. 5 lakhs, it is considered small scale and if it goes beyond and goes up by Rs. 2½ lakhs but less than Rs. 2½ lakhs, it is medium size industry and if it goes further up by more than Rs. 2½ lakhs, it is big size industry. Therefore, the Government can only lay down certain basic and general criteria for working out the whole system but only the Reserve Bank will act as the agent of the Government and it is the commercial banks which have to come forward and implement this scheme. What we want to take as our responsibility is that we want to give a general guarantee to the small-scale industries coming under that criterion. We do not go beyond that. We do not really interfere in the actual working of the scheme as to which industries are to be helped or what criteria should be followed. If the Reserve Bank or the other commercial banks follow some general principles, we are not going to interfere with that.

SHRI K. SANTHANAM: For what purpose is this approval of the Central Government required?

SHRIMATI TARKESHWARI SINHA: It is only the general approval of the Central Government that will be required, not for every unit but for every industry. We might call it every industry. For example, take the coir industry or match-stick industry. There might be thousands of units but they are units and we would not be going and scrutinising the applications and the working conditions or the financial conditions of every unit operating in this country under the small-scale sector.

SHRI K. SANTHANAM: Will she please read the clause as it is? It is not 'any small-scale industry' but it is 'any small-scale industrial concern'. So every single small-scale industrial concern should be approved by the Central Government.

SHRIMATI TARKESHWARI SINHA: Because the Government is acting as a guarantor, it has to be very sure about the financial soundness of a concern but that does not mean that the Government will go and interfere in the day-to-day working of that unit. The Government will certainly be guided by . . .

DR. R. B. GOUR: What will be your machinery to know whether you can approve of it or not? Will it be the State Government recommendation or something else?

SHRIMATI TARKESHWARI SINHA: The Reserve Bank is going to create a cell for this purpose. I was just coming to that. I do not know why he is losing patience so much. We cannot also accept the amendment which has been given by Mr. Santhanam, due to certain difficulties that we have felt. I might inform the House that regarding the question that he has raised, we have ourselves considered it very carefully because that very point came up while we were deliberating on this scheme and while we were finalising it but we found that there were many obstacles which will not really make for the efficient working of this system and therefore we had to abandon that proposal and we have confined this guarantee only to the Central Government. The reason for those difficulties that we apprehended is that this operation of credit guarantee scheme, wholly or mainly on the responsibility of the various State Governments—if we gave that responsibility to the various States—is likely to lead to some lack of co-ordination and also to regional variations to the extent of the guarantees or the conditions on which they are provided.

[Shrimati Tarkeshwari Sinha.]

A particular State may be interested in a particular kind of industry which is flourishing in that State or which is acting as the economic feeder to that State but the Government of India or the Reserve Bank has to look to the economic structure of the whole country and therefore by giving the responsibility to the State for working out this scheme, we thought that we might face or the country might face or this scheme might face, a lack of co-ordination and variations of conditions and therefore we cannot really take that risk because, if the scheme from its very infancy, starts tumbling like this, facing contradictions, it is not really fair to that scheme.

Also, as Mr. Santhanam, himself a great financier, knows, the commercial banks do not operate on the regional basis. They operate on an all-India basis, on some general principles and on some practices which are uniform all over India. They do not vary from State to State and therefore if the condition applicable to the loans granted by them in one State are different from those applicable to similar loans granted in other States, some degree of confusion and even embarrassment may be caused. That was another reason for us to decide not to really take the States into the guarantee scheme.

Then, the State Governments are also not in a position to finance the expenditure, if any, on account of these guarantees. They will come, as the hon. Member knows, for assistance for this purpose and they will try to obtain assistance for this purpose from the Central Government. It is a matter of reason, and a very justifiable reason, that it is quite natural for the Central Government to provide the resources for that purpose and if the Central Government is there to provide the resources for that purpose, it has to lay down uniform principles applicable to loans granted in all the States. I think it is very fair

for the Centre to do so because the Central Government will have to take the responsibility of meeting the States' expenditure in case the States were asked to participate in this scheme.

If the hon. Member means that this guarantee should also come from the Government of India as well as the State Governments, it will only add to the duplication of administration, that is to say, one thing should be guaranteed by the Government of India and the same thing should be guaranteed by the State Government. It will only give the satisfaction that the States will have the authority to guarantee without giving any beneficial results to anyone.

Then comes the question of loss. As the hon. Member himself understands, this is a risky business. When we are going to guarantee thousands of small-scale industries whose operating condition will be very difficult to know because there are various units spread all over the country, this scheme itself invites a certain amount of risk. Now, it is evident from the very nature of the scheme that the losses will be borne by the Central Government. The Reserve Bank will have to take the responsibility of bearing the losses. Now, if the losses are being borne by the Central Government, the Central Government certainly should have a say in approving the criteria on which the industries will be given this benefit of guarantee.

Then also I might point out that this scheme is experimental at this stage. The ultimate intention is to broad-base this scheme and to make it a permanent arrangement. I am not in a position to really inform the House about the details of this scheme but I think it may take the form of a certain insurance scheme, the contribution levied in respect of loans guaranteed under the scheme being adequate, over a period of years, and we shall have to provide

quite a handsome sum to compensate for the losses because this will act as an insurance against those industries. Therefore, in view of this possibility, some degree of flexibility in arrangement must be there. If we completely give this responsibility to the State Governments, then we are not sure if that amount of flexibility would be maintained by the various States. They may start interpreting this guarantee scheme in their own way.

Then there is another argument. This scheme has just now been started and it has to be very flexible now. We have not yet given the full colour to this scheme. It is yet in its infancy. Only the ground-work has been laid. We have to come before this House and after it becomes an Act all the details will have to be worked out. Therefore in the beginning a certain degree of flexibility is very necessary. I do not think the State Governments will be in a position to give it that flexibility in the beginning. These are the reasons which led us to believe that it would be proper if this scheme is worked under the Central Government rather than under the State Governments. I think I have been able to satisfy hon. Members in this regard.

Another hon. Member raised the point about the difficulties that the small-scale industries are facing. I do appreciate the difficulties that they have to face. There is no doubt that they have not been able to get as much help as they should. But I think I may inform the House that the quantum of aid or loan provided in the Second Plan has been very much more than was originally provided in the First Plan and the quantum of aid in the Third Plan is going to be very much bigger than what has been provided in the Second Plan. I am not in a position to give the exact figure, but speaking subject to correction, I may say that it is going to be about Rs. 600 crores, to be given as aid for small-scale industries.

For the information of the House I may give certain data which are provided in the Estimates Committee's Report which give us a picture as to how much aid has been provided by the different agencies which are trying to help the small-scale industries. The amount of finance lent to small-scale industries has been:

By State Directorates of Industries (Under the State Aid to Industries Acts/Rules)—Rs. 728·04 lakhs during the financial years 1956-57, 1957-58 and 1958-59.

By State Financial Corporations of Bombay, Andhra Pradesh, U.P. and Cooperative Banks in Mysore, acting as Government agents—Rs. 98·40 lakhs (as on 31-3-59).

This is the total aid provided by the State Financial Corporations and other agencies. The State Financial Corporations have given aids totalling Rs. 3·37 crores upto the end of June, 1959. The State Bank of India has provided Rs. 3·76 crores up to the end of November 1959, and this is only in intensive centres. The aid given by cooperative banks comes to Rs. 2 crores, lent to industrial co-operative societies other than weavers' cooperatives, by the end of June, 1958. These are the figures and even the Estimates Committee have expressed satisfaction about the progress that has been made with regard to the giving of loans to the small-scale industries. They have expressed their satisfaction and I would like to quote what they have said:

"The condition under which loans can be obtained from the State Directorates of Industries, under the State Aid to Industries Acts/Rules, have been considerably liberalised and this has helped larger utilisation of this source of assistance."

So far as the State Bank is concerned, the number of applications received

[Shrimati Tarkeshwari Sinha.]

up to the end of December, 1959 is 2,793 and the number of applications received by the State Bank and handed over to the Directors of Industries, the State Finance Corporations, the Co-operative Banks, the Assistant Directors of Cottage Industries, the Assistant Registrars of Industrial Cooperatives, all these total up 4,225. The limit sanctioned by the State Bank to small-scale industries has risen to Rs. 462.2 lakhs. That is the sanctioned amount and the outstanding advances in respect of these accounts amount to Rs. 1.78 crores. These represent the loans and aids given to small-scale industries and cooperatives. I am giving so many details because many hon. Members raised this point and though this Ministry is not concerned with this matter now, because I have the information, I think I may share it with the House.

MR. DEPUTY CHAIRMAN: You have given sufficient details now.

SHRIMATI TARKESHWARI SINHA:

Under the hire-purchase scheme, so far as the National Small Industries Corporation is concerned they have given Rs. 2.33 crores and a number of marketing depots have been organised by the Corporation. That is a very important work. The Small Industries Corporation organized eight marketing depots. And the value of the contracts secured by them up to July 1959 came to Rs. 3 crores and loans to State Industrial Finance Corporations including the Madras Industrial Finance Corporation comes to Rs. 253.60 lakhs. All this statistical information shows us the loans and aids given to the small-scale industries by the various agencies.

DR. R. B. GOUR: It seems the small-scale industries do not stand in need of any more aid.

SHRIMATI TARKESHWARI SINHA: That does not mean that the small-scale industries do not need any more aid. Certainly, I will not say that

and nobody does. We are all unanimously of the opinion in the country that these small-scale industries must be helped as much as possible, at the same time making them creditworthy. We only give the necessary advice to make them credit-worthy.

One important point raised by Dr. Gour, I find, I forgot to answer and that was about the advances by scheduled banks against securities and in that connection he mentioned about shares of joint stock companies. I have got certain figures here which I would like to quote. I may point out that there is no particular drift in the matter of advances on the share and debentures of joint stock companies. For his information I may point out that advances against shares of joint stock companies comes to Rs. 68.77 lakhs, for January, 1959. In February it is Rs. 69.07 lakhs and in March, it is Rs. 71.25 lakhs and in April it is 72.48 lakhs. They have to be divided between two heads. One is the stock and share brokers and dealers and the other, the various miscellaneous things. The figure for the stock and share brokers and dealers comes to Rs. 11.67 lakhs in January, Rs. 11.43 lakhs in February, and Rs. 12.59 lakhs in March and Rs. 13.27 lakhs in April. For the others the figures are: Rs. 57.10 lakhs for January, 1959, Rs. 57.64 lakhs for February, Rs. 58.66 lakhs for March and Rs. 59.21 lakhs for April. Against the debentures of joint stock companies, the figures are Rs. 12.17 lakhs for January, Rs. 13.16 lakhs for February, Rs. 12.88 lakhs for March and Rs. 12.65 lakhs for April. That means that there has not been any appreciable increase about which the hon. Member was apprehensive.

I think, Sir, that I have answered all the points that were raised and I have tried to answer them to the best of my ability.

DR. R. B. GOUR: The general trend is there . . .

MR. DEPUTY CHAIRMAN: Order, order. I am putting the motion.

SHRIMATI TARKESHWARI SINHA: I was only quoting about the shares and debentures to which the hon. Member made a particular reference. If he had talked of the general thing, I would not have bothered to have mentioned this, for it does not come within the scope of this Bill.

With these words, Sir, I once again thank the House for the unanimous approval that it has given to this Bill.

MR. DEPUTY CHAIRMAN: The question is:

"That the Bill further to amend the Reserve Bank of India Act, 1934, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

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

Clause 2 was added to the Bill.

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

SHRIMATI TARKESHWARI SINHA: Sir, I move:

"That the Bill be returned."

The question was put and the motion was adopted.

MR. DEPUTY CHAIRMAN: The House stands adjourned till 11 A.M. tomorrow.

The House then adjourned at twenty-one minutes past five of the clock till eleven of the clock on Friday, the 29th April 1960.