CHAPTER VII

STATE IN RELATION TO INDUSTRY

In the age of economic planning, Government acts as the torch-bearer in the formulation of various targets to be achieved both in the private as well as in the public sectors. A modern welfare state can do a good deal of work for the development and growth of the industries of the country. It helps them in a wide variety of ways viz., by financial help as it provides capital to the industries; by way of scientific research as it provides technical help; and by fixing standards it facilitates in marketing, etc. In fact the state intervention in the economic field has become almost necessary in the present days of economic planning.

The state has provided a number of facilities for the growth and development of industries some of which are as follows:

Loans and grants
Training and Technical Assistance.
Help in the procurement of raw materials.
Labour welfare schemes.

A brief description of the schemes undertaken in the above fields is given as follows:
FINANCES (LOANS AND GRANTS)

A - Loans and Grants Scheme:

The scheme of financing small scale industries was started in the year 1948, and since then, has been providing assistance to individuals, co-operative societies and other registered bodies to help expansion and further development of small scale industries. Under the present system, loans are available in the following three ways:

i) Loans for projects costing not more than ₹10,000/- are available at district level from out of the funds placed at the disposal of Divisional Commissioner. These loans are sanctioned by the District Magistrate, on the advice of Distt. Industries Committee.

ii) Loans for projects costing more than ₹10,000/- and loan amount not exceeding ₹15,000/- are sanctioned by the State Loans and Grants Committee which meets under the presidency of the Minister for Industries.

iii) Loans exceeding ₹15,000/- and up to ₹1,00,000/- are sanctioned and disbursed by the J.P. Financial Corporation on the recommendation of the Director of Industries on a sliding rate of interest from 5 to 7 per cent. The Corporation was established as a state-owned public limited company in 1961 with an authorized capital of ₹5/- crores, but increased to ₹10/- crores on 31st March 1962,
corporation has granted the loans of Rs. 7,50,000 to 17 industrial units of all 13 districts.

The loans are repayable in 10 easy instalments over six months from the date of second anniversary of the date of advancement of loan. Besides loan, grants are given to extraneous of recognised institution for various crafts for purchase of tools and equipment up to Rs. 2000 in individual cases and Rs. 6,000 to co-operative societies.

TRAINING AID AND TECHNICAL ASSISTANCE

1) Small Industries Extension Service Institute

The Government of India, under the Ministry of Commerce and Industry, has set up 4 regional Service Institutes and 13 other major branch institutes. 59 Extension Service Institutes have been set up in various places and one of them was set up in 1919 at Jodhpur. This Institute helps the artisans to select a suitable industry to draw up a complete scheme and to purchase the machinery needed. It also advises about improved technical processes and use of modern machinery and equipment. It has a 'Machine Workshop' formerly known as Government Metal Training School. It was started by the J.P. Government in 1926, it has played a very important part in imparting training to many workers in lock and
established, engravers, etc. In May 1959 this workshop has been equipped with modern machines.

This Institute offers training in various jobs.

11) Industrial Training Institute Allahabad:

A similar Institute has been started from 1st July 1959, by the Central Government in a "sector" near the exhibition ground.

For rural industrial development, the Directorate of Industries is providing all necessary help in the procurement of raw materials from various sources for small scale units. Decentralization of distribution of various raw materials was also enforced in respect of certain items like cement, glass sheet, steel sheet cuttings, tile block and tile etc.

Facilities to Workers:

Labour welfare centres: Two class labour welfare centres have been opened by the Government in Allahabad. Labour welfare Centres are contributing in the welfare of the
labourer of various industries in All-India. These centres provide
free radical aid to the labourers and their dependents also.
A detailed account of this has been given in a chapter entitled
'Labour Conditions'.

A CRITICAL APPRAISAL OF STATE POLICY

The central and state Governments have taken sufficient
interest in the development of electrical 'tools industry. They
have accorded technical and financial help, suitable sites in
industrial estate on a long term, raw material and marketing
facilities, still there are many more to be done by the state.

The assistance provided by the State in various forms is
not only inadequate, but the much needed through which it is made
available is complicated and dilatory. The statistics maintained by
various Government offices are incomplete and not up-to-date

SUGGESTIONS

In the forgoing gaps to be bridged, several steps will have to
be taken, some of which are as follows:-
i) Development of Specialised Institution i.e., the supply of raw materials and sale of finished products:

Supply of raw materials is an important matter and requires immediate attention. We have to arrange for the regular supply of essential raw materials of good quality and sale of finished products. The only way to solve the problem is collective and co-operative organisation of industry for purposes of purchasing raw materials like Aud’yo ita Kalabhar Sahakari Saniti Ltd., formed by the artisans of lock industry. The society supplies to its members the various parts of lock, such as plates, shackles, etc., etc., control prices. There is a need of several organisations of this type in industries for the supply of raw materials and the sale of finished products.

ii) Expansion of Technical Education:

The future course of development of electric good industry depends to a great extent on the expansion of the facilities of education and research. It requires both an increase in the number of these institutes as well as an improvement in the quality of the existing institutes. Introduction of training in new trades is sure to add a lot, ray in improving the lot of the average worker.
111) **Provision of Finance:** (Details are given in Final Chapter).

iv) **Relief in Taxes:**

Relief in taxes is very necessary to promote industrial development. In this context Octroi duty should not be charged on raw materials obtained from outside the district. Similarly tax concession should be given to new factories or to the production of new items by the existing industries.