

[*Translation*]

SHRI DILEEP SINGH BHURIA: The hon. Minister has said that three places have been selected, but what has been the criteria? I would like to know that in spite of the fact that there is heavy pollution in Delhi because of industries and same in the case of Bombay, how were these cities selected for setting up Model Industrial cities. What yardsticks were fixed and what requirements were borne in mind while taking this decision?

SHRI H.R. BHARADWAJ: Sir, as I said just now, the feasibility report was prepared by the Japanese side and therefore, I do not know what were their yardsticks. Generally, our yardsticks are the infrastructure, tele-communications, roads, etc. but it seems that they have not taken these as yardsticks. But I think that whenever we decide to open an Industrial training Centre or set up a township we should always bear in mind the economic backwardness of an area. I do not have full information whether some technology centres would be set up but as soon as I get such an information, I would pass it on to the House.

SHRI RAM NIHORE RAI: Mr Speaker, Sir, if a decision has been taken to set up Model Industrial cities in the country by the Government at the Indo-Japanese study committee meeting, then what is the criteria? Is Mirzapur-Sonbhadra area of Uttar Pradesh which is predominantly an Adivasis area to be covered under this criteria? If not, what are the reasons? If so, the time by which the process would begin?

MR. SPEAKER: You have already replied to the first question. You can also reply for Mirzapur.

SHRI H.R. BHARADWAJ: Mr. Speaker, Sir, let me make it very clear that we are not going in for industrialization through this. The Japanese are trying to find an investment centre for their high technology and we would in this way get the technology easily. This will not lead the entire country to indus-

trialization, but we would not be able to overcome the set back caused by Gulf Crisis ... (*Interruptions*).

MR. SPEAKER: So what have you thought about Mirzapur?

SHRI H.R. BHARADWAJ: This supplementary question does not arise out of the main question.

Industrial Growth Centres in Orissa

*83. **SHRI SHRI MRUTYUNJAYA NAYAK:** Will the Prime Minister be please to state;

(a) the details of the Industrial Growth Centres set up in Orissa;

(b) whether the Government proposes to set up Industrial Growth Centres at block level in the backward tribal areas of the State;

(c) if so, the details thereof; and

(d) the time by which this is likely to be implemented?

[*English*]

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (PROF. P.J. KURIEN. :)

(a) to (d). A Statement is laid on the Table of the House.

(a) to (d) Under the Growth to Centre Scheme, Orissa has been allotted four Growth Centres out of which three have already been selected and announced. These are one each in the districts of Cuttack, Ganjam and Sambalpur. Among these, Ganjam and Sambalpur are areas of tribal concentration. For selection of the fourth growth centres, the State Government are yet to submit their final proposal.

The selected growth centres would be provided with basic infrastructural facilities

like power, water, tele-communication, roads, banks etc. at a cost of Rs. 25-30 crores each. The scheme is proposed to be implemented during the Eighth Five Year Plan period.

SHRI MRUTYUNJAYA NAYAK: Sir, it has been mentioned that the districts of Cuttack, Ganjam and Sambalpur in the State of Orissa have been selected to get the facility for having the Industrial Growth Centres. But my question is: Will the Government consider to give priority to the backward districts and those districts which have already been declared as 'No Industry District'?

PROF. P.J. KURIEN: Sir, the Growth Centres are normally given to backward districts. But those districts should have certain basic infrastructural facilities because in the Growth Centres we are providing telecommunication facilities, electricity facilities and we are also providing banking facilities. Therefore, these Growth Centres cannot be taken away to a far-flung area where these facilities are not available. But, however, in selecting these Growth Centres, we go by the recommendation of the State Governments. We are taking the State Governments to suggest the name and the State Governments should give names of at last 2 places where the Growth Centres are required. Once they give the names, we sit with them and it is with their concurrence these places are selected. Most of these places selected are backward areas. But availability of infrastructural facilities is a minimum condition which we cannot go back.

SHRI MRUTYUNJAYA NAYAK: Ganjam, Phulbani and Bolangir are backward districts and they have already been declared as 'No Industry Districts' I am fully convinced that whatever conditions are necessary such as the infrastructural facilities - the hon. Minister has mentioned what are the infrastructural facilities needed - I think those conditions are being fulfilled by my district of Phulbani and Bolangir. I would like to know whether the reconsideration of the State Government is binding and whether we can also request the State

Government to include the two districts for consideration of setting up of the Industrial Growth Centres in these two Centres.

PROF. P.J. KURIEN: There is a provision. I think the hon. Member would be interested to know that four Growth Centres have been allotted to the State of Orissa and three have already been identified and selected so far. Now, the Government of Orissa has recommended Cuttack as the fourth Centre with which we do not agree on the growth that already a Growth Centre has been sanctioned in Cuttack.

We are awaiting for the reaction from the Government of Orissa with regard to the fourth growth Centre. The Member may like to take up the matter with the Government of Orissa to recommend that. (*Interruptions*)

SHRI MRUTYUNJAYA NAYAK: Orissa belong to the Janata Dal. They may not agree to our interest and they may say that politically that is being considered. That is the criterion for it? I would like to know whether the hon. Minister will take it up if the infrastructure conditions are fulfilled. (*Interruptions*).

PROF. P.J. KURIEN: As far as Government of India is concerned, there is a political consideration with regard to the selection of growth centres. (*Interruptions*).

MR. SPEAKER: Not like that. You cannot carry on like that.

(*Interruptions*)

MR. SPEAKER: Government cannot be political. Party can be a political one.

SHRI SRIKANTA JENA: Ho. Member from Phulbani has a genuine demand for the districts of Phulbani and Bolangir. Cuttack is my district and my constituency. I would like to know from the hon. Minister whether the Government of India is in a position to spend that quantum of money which is meant for these growth centres.

I would like to know whether any allocation has been made to any State even for one growth centre till today.

SHRI P.J. KURIEN: Yes, Sir, Government of India has already disbursed Rs. 15 crores on the growth centres. Whether the State Governments have sent the proposal, we have an apex committee, the project Appraisal Committee which evaluates the proposal. Once the proposal is accepted, we immediately sanction Rs. 1 crore as the first instalment. That way, we have sanctioned Rs. 5 crores in five centres. Not only that. Proposals which were received before 31.3.91, in all such cases, we have sanctioned Rs. 50 lakhs. So Rs. '15 crores has been spent so far disbursed on this account.

SHRI K.P. SINGH DEO: After reading the Minister's reply and after hearing his oral reply, I am bit confused as to what is the main criterion for selecting these areas for growth centres. I would like to be enlightened on this. *(Interruptions)*

MR. SPEAKER: Question pertains to Orissa. You are not from Orissa Madam.

SHRIMATI BASAVA RAJESWARI: I would like to put ageneral question. *(Interruptions)*

SHRI P.J. KURIEN: One of the criteria is the backwardness. Then it is the population. And the most important one is, as I have already said, the basic infrastructural facilities which should be there. Among those places where these facilities are there, we prefer the backward area.

SHRI ARJUN CHARAN SETHI: The Minister has stated in his reply that certain amount of money has already been spent. But in the main reply he has stated that the scheme is proposed to be implemented during the Eighth Five Year Plan. I would like to know from the hon. Minister whether the amount has been spent or allocated.

SHRI P.J. KURIEN: The growth centres, scheme has been started in 1989 itself. As

regards Orissa, the four growth centres have been allotted in the year 1989 itself. And we are starting 70 growth centres in all other States of the country, of which 63 have been identified. Wherever they have sent the proposal and we have accepted it, we have released the money to the State. Government.

DR. KRUPASINDHU BHOI: Hon. Speaker, Sir, I want to know from the hon. Minister Prof. Kurien about the criterion for selection of a district. The criterion which he has just announced is not clearly spelt out. What does be mean by 'backwardness'?

MR. SPEAKER: He has been saying that it has been left to the State Government. Now, you may put your question.

DR. KRUPASINDHU BHOI: They have already selected Ganjam and Sambalpur districts. Out of Rs. 25-30 crores sanctioned for each centres, what is the amount of money that has already been allocated? What is the percentage of expenditure in each phase of the growth centre and which are the two other districts which have been recommended by the State Government. *(Interruptions)*.

MR. SPEAKER: Mr. Minister, if you have the information you can give; otherwise you can give it in writing.

DR. KRUPASINDHU BHOI: I would like to know how many backward districts of all the 13 districts of Orissa have got all the infrastructural facilities. And also I would like to ... *(Interruptions)*

MR. SPEAKER: You have already taken too long a time. You may put the question now.

DR. KRUPASINDHU BHOI: Which are the two districts of Orissa that have been selected?

PROF. P.J. KURIEN: It was a very lengthy question. For the first question whether any money has been allotted to the

districts of Ganjam and Sambalpur, the answer is that nothing has been allotted to the State of Orissa. The reason being that the Government of Orissa has not sent the proposal for the selected growth centres. If they send proposals, then we will consider it. And once we approve it, we will sanction the money.

With regard to the criterion for the backward districts, I have already stated that there is a certain general criterion. It is for the State Government to select the districts and recommend. Now, the Government of Orissa had made certain proposals and the three centres selected are with the concurrence of the State Government. What I would like to emphatically say is that it is with the concurrence of the State Governments that we have taken these three centres.

[*Translation*]

Industrial Sickness in Orissa

*86. SHRI SRIKANTA JENA: Will the Prime Minister be pleased to state;

(a) whether industrial sickness is prevailing in Orissa on a large scale;

(b) if so, the details thereof; and

(c) the causes of this industrial sickness?

[*English*]

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (PROF. P.J. KURIEN):(a) to (c): A statement is laid on the Table of the House.

(a) and (b), Data of sick industrial units assisted by banks in the country are compiled by the Reserve Bank of India. As per the latest RBI data, 4,486 Units in the small scale sector and 21 units in the non-small scale sector were sick in the State of Orissa, as at the end of September, 1989.

(c) A number of causes both external

and internal are responsible for industrial sickness. The major causes, as reported by the banks related to marketing, financial, labour, management and production problems and to external factors like power shortage, depend recession and natural calamities.

SHRI SRIKANTA JENA: The question was about the industrial sickness that is prevailing in Orissa. The hon Minister has stated that upto September 1989, as per the RBI report about 4,486 units in the small scale sector and 21 units in the non-small scale sector were sick. May I know from the hon., Minister whether any study has been undertaken or any recommendations have been made by any committee. Since the sick units are more than 80 per cent in Orissa,, I would like to know what are the basic reasons - genuine reasons were given for the entire country - and especially why this sickness. During the last ten years industrial sickness is prevailing in the State of Orissa. The State Government says that thousand industries have come up but really the sick units are more than eighty per cent. I would like to know whether any special study has been made or any recommendations has been made to the Government of India for its revival.

PROF. P.J. KURIEN: It is not correct to say that sick units are 80 per cent or sickness is more in Orissa as compared to other states. With regard to the question about reasons for sickness, a study has been conducted and the study reveals that there are quite a number of reasons - not one reason- for the sickness. Even for the sickness in one industry there is not one reason but there are two-three coupled reasons. I will quote some of the reasons which are identified a result of a study. Firstly there is management deficiency, secondly there is marketing problem; then you will have the project shortcomings; then you will have the infrastructural problems; then in some cases there are labour problems; then there is obsolescence in machinery. In the case of small scale industries, there is the question of delayed realisation of receivables, par-