

cepting donations upto Rs. 3 to Rs. 5 lakhs for admission to medical colleges and Rs. 50-75 thousand for admission to engineering colleges and so on. This tantamounts to commercialisation of education and deprives admission to other deserving candidates.

I, therefore, urge upon the Central Government to look into the matter and ensure that only deserving candidates get admission in professional course. The practice of charging capitation fees should strictly be done away with.

(viii) Need to take steps to solve the drinking water problem in Ajmer, Rajasthan

[Translation]

PROF. RASA SINGH RAWAT (Ajmer): Mr. Deputy Speaker, Sir, I would like to draw the attention of the House on the following matter of public importance under Rule 377.

Like all other parts of Rajasthan, the city of Ajmer and Ajmer district are facing acute shortage of drinking water. Due to scanty rainfall and uncertain monsoon in last few years and drought situation and going down of water level in wells and ponds, the position of availability of drinking water in Ajmer, Beawar, Naseerabad, Kishangarh, Vijay Nagar and Pushkar cities and the entire rural areas of the region has worsened further. In urban areas water supply is being made at a very low pressure, once in 48 hours or even in 72 hours. In the villages the situation is more critical. Great difficulty is experienced in fetching water from long distances. People are compelled to drink contaminated water. Most of the hand pumps have dried up and many are out of order. Because of this problem of drinking water there, no industrial development can take place in Ajmer city. Industrialists and Government are not able to set up industries there because of scarcity of water. Twice in a year big fairs are held in Ajmer. The Urs of Khawaja Saheb which is a festive occasion for Muslims and the grand Pushkar Mela of Hindus on the Kartika Poomima day are held there. These celebrations attract a large number of people from different parts of the country and abroad.

On such occasions the problem of drinking water becomes more acute. I, therefore, urge the Central Government to complete the Bisalpur Project on a war-footing to meet this basic human need of drinking water. The Central Government should get it completed with a special grant for this purpose without delay. Along with that they should also launch a special campaign for digging deep bore wells to solve the problem of drinking water.

**DEMANDS FOR GRANTS (General)
1991-92—Contd.**

MINISTRY OF INDUSTRY—Contd.

[English]

12.49 hrs.

MR. DEPUTY SPEAKER: The House shall now take up further discussion on the Demands for Grants of the Ministry of Industry. Shri Yaima Singh Yumnam to continue his speech. Shri Yaima Singh Yumnam (Inner Manipur): Mr. Deputy Speaker Sir, I made my observations on national policy on industries yesterday. I shall now devote my time in respect of the necessity of the development of industries in Manipur.

Manipur is a very rich State in raw-materials for the establishment of a paper mill. There is plenty of bamboo available in the vast forest areas in Manipur. So there is every prospect for large scale production of paper in that area if a paper mill is established.

Plenty of bamboo is wasted, without using it. So, I would like to propose to the Government to install or to establish a paper mill there.

It was in 1972 that the Government of Manipur proposed to the Central Government for setting up of a paper mill there. I was in the Ministry at that time, in the then Government. We came to meet Madam Prime Minister, late Shrimati Indira Gandhi. She almost agreed to the feasibility report submitted to her and she wanted to give the Letter of Intent. The Minister of State who was looking after the Industries Ministry at that time was even asked to give the Letter of Intent to the Government of Manipur. The Minister of State who was looking after Industries

Ministry was one Shri M. Choudhury. He was interested in installing that paper mill in his area so that his cause for election may be promoted. Thus, he snatched away our right for that paper mill and he got installed that paper mill in his area. The raw materials for that, are being supplied from Manipur in the form of bamboo chips. Little quantity of bamboo chips is being supplied and so it does not serve the interest of Manipur. Therefore, I would request the Government through you, Sir, that the Central Government should take up the proposal to install or establish one paper mill industry in Manipur.

Now, I would come to another very important matter. Manipur is famous for handloom industries and loom-loom industries. The products of handloom and loom-loom industries are very much in demand even in foreign countries like Japan, America, UK, etc. At other places also, there is a great demand for these products of Manipur. It is famous all over the world. But, due to lack of patronage from the Central Government, such small scale industries are almost dead. These products earn foreign exchange also. Really, there is a great demand from outside the country, for these products of Manipur. Now, my plea is for the patronage from the Central Government to see that the small scale industries in Manipur get assistance so that a large number of people can be employed there.

Lastly, I would like to request the Government through you, Sir, that—when such small States like Manipur have no domestic resources and have no enough funds to fund all these small scale industries which depend mostly on the grants and aids from the Central Government—they should give more funds to such small States, without going into the proportional distribution system. It is not beneficial to the small States because the small States depend on the substantive aid from the Central Government.

While selecting sites for establishing sugar factories also, political considerations prevail and that is why the failure of the existing sugar factory at Kabowakching in Manipur.

That is why there was the failure of cement factory in Manipur. The previous Government belonged to the Congress (I) party. It selected the site for sugar factory to suit the wishes of the Members elected from that area. That is why the site was selected for the sugar factory where there was no land suitable for cultivating the sugarcane. There is enough land available in hilly areas where plenty of sugarcane can be planted. The selection of the site was a mistake because of political considerations.

MR. DEPUTY SPEAKER: Mr. Singh—virtually six minutes were at your disposal. But you have taken more time. There are other people who have to speak.

SHRI YAIMA SINGH YUMNAM: Sir, I am not arguing on that point. My last request to the Central Government through you is that special consideration must be given to the small States like Manipur in the eastern most part of the country because they are backward. With these words, I conclude.

MR. DEPUTY SPEAKER: Mr. Rajaram Shankarrao Mane. He is not there. (*Interruptions*) Then, Mr. Sukh Ram from Congress.

[*Translation*]

SHRI CHHEDI PASWAN: Please allow us to speak (*Interruptions*)

[*English*]

MR. DEPUTY SPEAKER: There is a system here.

[*Translation*]

Business of the House is conducted under a system.

[*English*]

There is no discretion.

[*Translation*]

SHRI CHHEDI PASWAN: Yesterday, only one Member from Janata Dal spoke. (*Interruptions*)

[*English*]

MR. DEPUTY SPEAKER: Mr. Paswan, there are some mistakes here and there. You will have to adjust to such things. But nobody will be denied the opportunity.

Now, Mr. Sukh Ram.

[Translation]

SHRI SUKH RAM (Mandi): Mr. Speaker, Sir, the most important question before the Parliament these days is how to remove the economic backwardness of the world. We have to see how it was introduced in our country and in spite of adequate natural resources in the matter of industrialisation why countries like South Korea, Indonesia, Malaysia and Pakistan are ahead of us. The per capita are ahead of us. The per capita income in Pakistan and China is nearly 400 US dollars but in our country it is only \$320. What is important today is that we should think deeply over our trade, our exchange rates, licence and control so as to ensure that our country makes progress. Just now some of our friends in this House criticised severely that as per the changed Industrial Policy of the country foreign multinational companies have been permitted to hold 51 per cent equity holding. They are apprehensive that it would land the country in distress. This is a great criticism. I don't blame much the friends who do not know much about it. But there are some who have some knowledge but are tendering the same old advice to us.

13.00 hrs.

They are ignoring the changes taking place in the world and delivering the same old sermons to us. Mr. Deputy Speaker, Sir, through you I would like to draw the attention of the august House to the foreign investments that have been made in other countries. Investment in Mexico upto 1989 was about 2241 million U.S. Dollars, in Malaysia 1845 million U.S. Dollars, in Thailand 1650 million U.S. Dollars, in China 1400 million U.S. Dollars, in Indonesia 735 million U.S. Dollars whereas in India it is 425 million U.S. Dollars only. So much of uproar is created here and the Government is held guilty, whereas a country like China, where there is centrally controlled economy, made some inward looking and opened its doors for foreign investment. But in our country people oppose foreign investment. In fact the quality of production has improved and increased on account of foreign investment.

Moreover industrialisation could be boosted in the country by this investment. The countries where such industrialisation has taken place, are neither dependent on others nor their economic freedom is in jeopardy.

During the years from 1980 to 1990, the average growth of export has increased. It is 12.8 per cent in Thailand, 11.5 per cent in China, 19.8 per cent in Malaysia and 8.5 in Pakistan whereas it is only 5.8 per cent in India. Smaller countries are much ahead of us in export. Our country is lagging behind. Unless there is industrialisation in the country, the requirements of 85 crore population are met, our exports are increased, our foreign exchange earnings are increased and our special requirements are met, we cannot become self-sufficient. We import petroleum worth Rs. 13,000 crores and it can be brought down only when we are self-sufficient. All the hon. Members are worried about fertilisers and it is a case of real concern for the farmers. There is a need of importing fertilisers to the tune of nearly Rs. 5000 crores. It can be reduced only when the production is increased upto 100 per cent. But even now we are not self-sufficient. Besides, there are so many other things also which we are required to import. Therefore, such an apprehension is wrong. The per capita G.D.P. of these countries has increased enormously, because they are encouraging foreign investments. There is adequate protection in this policy for the points on which hon. Members are apprehensive. For example, if the foreign exchange requirement are more than equity in any project it has to seek permission from the Government. Adequate protection has been given in it. It is not enough for foreign investments. Even today the foreign investment environment in Eastern Europe is much better than India. They have Worker Administrative Culture and Industrial Culture. The foreigners will come forward for making investment. Only when they see a good living standard and congenial climatic condition in the country.

Mr. Deputy Speaker, Sir, my hon.

friends have pointed out one thing here that the present Government has launched an assault on the public sector. I believe that we are not against the public sector. The Public Sector has been provided adequate protection during 42-43 years of independence and undoubtedly the production has also increased because of this. Upto last year a sum of about Rs. 99315 crores was invested in the public sector and I believe it must have crossed Rs. 10100 crores by now. I admit that in some areas there must have been something wrong, but today we have to think of the returns that the Government is getting. Though there is a return of Rs. 3781 crores but the net profit is only Rs. 881 crores out of that. Can the country make progress in this manner? Howsoever prosperous a country might be it cannot afford to receive such a meagre return from such a heavy investment. There are proposals that out Rs. 101000 crores, equity amounting to Rs. 2,500 crores would be offered to the private sector. This provision has been incorporated in order to bring competition and efficiency in the public sector. Won't there be any improvement in it? I admit that there is some danger in it. When talking of efficiency, equity, quality and competition with other countries, there is possibility that there will be displacement of labour. For that, our hon. Prime Minister said that some facilities would be provided on humanitarian grounds. In that case we may resort to Golden Hand Shake also. In the industries to be set up by the multi-national companies, the surplus labour would be their liability and they will have to absorb them. The Government and the industry can introduce Unemployment Insurance Scheme and some arrangements could be made for National Renewal Fund, Rehabilitation and Trainings etc. But one thing that we shall have to keep in mind, is that this amount of Rs. 101000 crores which is invested in Public Sector belongs to the people of India and not to the labourers and Management. The people are its trustees and it should ensure full returns. Unless we get full returns, the country cannot make progress and our industrialisation cannot proceed further. I would

like to congratulate the Government for taking such bold steps. I would like to request my friends who are making long speeches and delivering sermons, to give suggestions to solve the financial problems facing the country. If the present Government has adopted a wrong policy they should give suggestions for industrialisation.

We have introduced a package of measures including that of devaluation of our currency. It will help liberalise trade regime, and get some assistance by way of enhancement in export. Unless our export increases, our problems cannot be solved.

Finally, I would like to make a submission to you. So far as my State Himachal Pradesh is concerned, it is a beautiful State, but it is a hilly state studied with numerous difficulties. It is dependent on the Central Government. Earlier I made a submission and today also I would like to submit to this august House, through you, that we have got two major industries. The hydel project is one of them. Please provide us some assistance for this project. I had also suggested that the scheme of un-accounted money should be extended to it. Then comes our next major project i.e. the tourism industry. For this, there was a scheme which was started when I was a Union Minister. The Government can prepare a scheme of Rs. 3-4 crores for that purpose. In addition to this, financial assistance may also be taken from the Private Sector. That way it will become more prosperous and all the same we won't depend on the Central Government any more. Therefore, my submission is that so far as Industrial Policy and other such measures taken by the Government are concerned, I would like to congratulate the Government for it. At the same time I would like to make a submission to the august House that it should give some attention to the changing global scenario. The hon. Members allege that the Government has abandoned the path that was shown by Nehru, Rajiv Gandhi and other great leaders. Had Nehru been alive today to see that we lag behind many smaller countries he would have

been really disheartened and the policies adopted by the Government now would have been adopted by him ten years earlier. Therefore, I make a submission to all the Members of this House that they can come to Power in the name of religion, backwardness, and on the basis of caste. But may I know from them as to what are their economic policies? May I know the policies on the strength which they came to power at the centre? Let them bring the poor and backward classes to Parliament. We have no objection to that. Are they going to share poverty of people or see that the country makes progress by raising its wealth? In this way can they save the present of the country? If they want to make a prosperous and strong India, they shall have to make sacrifices so that the future of the country is made strong for next hundred years. It is in this country only where our attention remains fixed on the elections and we are worried how to fetch more votes, how can we keep people happy,
....(Interruptions)

[English]

MR. DEPUTY SPEAKER: The time allotted is over. There are a number of Members who want to speak.

SHRI SUKH RAM: I will wind up within two three minutes. Shri Mane was absent.

MR. DEPUTY SPEAKER: But that does not mean that you should take Mr. Mane's time. There are so many Members of your own Party who want to speak.

[Translation]

SHRI SUKH RAM: I would like to make the only submission that the policies introduced through this budget are very good. Especially the policy of liberalisation in industry and other programmes are highly laudable. I am supporting these. I hope the people who want to make the country stronger would also support these policies.

[English]

MR. DEPUTY SPEAKER: Shri Devegowda. Please conclude your speech within time. After ten minutes, I will ring the bell. You should understand that you

will have another five more minutes to complete your speech. Because, there are many Members who want to speak.

SHRI H.D. DEVEGOWDA (Hassan): Sir, from our Party I am only one Member who is going to participate in the debate. At least be generous for our Party.

MR. DEPUTY SPEAKER: You will be counted as the Member of the hon. House.

SHRI H.D. DEVEGOWDA: At the outset, I would like to thank you for giving me an opportunity to participate in the Demands for Grants for the Ministry of Industry.

Sir, the Industrial Policy and the Trade Policy have been simultaneously announced by the new Government with a sole object of boosting our production, to earn foreign exchange and also to see that our foreign exchange requirements are met to clear our debts. This is one of the major issues where we are forced to go before the IMF. I do not want to go into the major consequences that are going to take place on account of New Industrial Policy because of the paucity of time. If I can get some time, I will elaborate the implications of the New Industrial Policy. But unfortunately, your goodself has already indicated me about the time. So, I will stick on to the time that has been indicated to me: You may kindly pardon me if I consume a little more time towards Karnataka.

Sir, Para 11 of the Industrial Policy document says: "Spreading of industrialisation to backward areas in the country will be actively promoted through appropriate incentives, institutions and infrastructural investments."

Sir, I want to ask the Government whether such facility has been provided in the industrially backward areas. This is one of the moot points that I would like to ask the Government to consider. So, I want to know whether any infrastructural facility has been provided in the States or in areas where they are industrially backward or no industry areas.

Sir, about Karnataka—let my friends should not think that I am so parochial or

I am only trying to concentrate on Karnataka by using this platform because unfortunately the time is so short that I have no other option except to try and highlight the issues that are related to Karnataka—I want to point out certain things.

Sir, about the infrastructural facilities, I would like to ask the Central Government as to what type of infrastructural facilities they have got for developing industries or for developing a particular area and for enthusing the entrepreneurs for going there?

Sir, unfortunately, in Karnataka, the three major components—Highways, Broadgauge and the power sector—which are necessary for industrial development are totally neglected since 1947. My sister Shrimati Basava Rajeswari may not mistake me if I make any allegation. I do not want to comment on their existence here but the way in which these matters have been dealt with so callously forced me to comment something about them. I want to quote some of the developments that took place there. How Karnataka has been treated? On the last occasion also, I tried to quote this. So far as the development of Highways in Karnataka is concerned, it is lowest in the country. The Gauge conversion is also one of the lowest in the whole country. Out of 10,000 Km for Broadgauge conversion, only about 210 Km has been converted in Karnataka. Hardly in five districts, broadgauge connection is there, out of the total 19 districts. How can you talk of industrial development by creating infrastructure? All these laudable talks are only sermons and it is not going to help the industrially backward area in Karnataka.

Sir, about power sector, I want to quote how things have been totally ignored regarding this sector.

I would try to concentrate on the power sector. Last time, casually, I mentioned about the investment that had been made in the power sector. I would like to mention that as far as thermal power production is concerned, Karnataka here it was neglected through it has been classified as a developed States. I do not

know who has classified Karnataka as a developed State. What are the norms and the guidelines to come to such a conclusion that Karnataka is one of the developed States? I am giving you an All India figures. The thermal power production in the country is like this: Gujarat—3633 MW; West Bengal—3096 MW; Maharashtra—5975 MW; these are the developed States. The under-developed States, according to their classification are: U.P.—6625 MW; M.P.—5583 MW; Karnataka—2070 MW.

What for have we come here? I want to ask my Karnataka friends, what for have we come here. I have come here only to get some emoluments or certain privileges. I would like to ask my sister to rise above party lines and fight the battle. I do not want to tolerate it any more. The party is no consideration. We should come out of the party matter and fight for the cause of Karnataka how we are going to develop it.

Out of 19 districts, hardly Mysore and Bangalore are the two districts where thermal power industries have come up. If this is the state of affairs, how can you develop it? What is the infrastructure they have made; what is the infrastructure they want to provide for the industrial development, for inviting foreign capital, inviting equity, etc., I do not want to enter into this controversy of foreign capital at this stage.

Now I want to quote from the Industrial Policy Document on page 5, para 15. It reads as follows.

"Today the State has other instruments of intervention, particularly fiscal and monetary instruments. The State also commands the bulk of the nation's savings. Banks and financial institutions are under State control. Where State intervention is necessary, these instruments will prove more effective and decisive."

Why I have quoted this is only to strengthen my argument how the investment has been made by various financial institutions which are under the control of Central Govt. in Karnataka for its development. I would like to draw your

attention to the investment that has been made by IDBI. In the Seventh Five Year Plan, Karnataka has been placed in the eighth place. I am just telling you because Karnataka has been classified as a developed State. We MPs from Karnataka has got some advantage for our development. What about Karnataka development?

SMT. BASAVA RAJESWARI (Ballary): Karnataka is very much dependent on idle power. As on today, there is an acute shortage of power. Mr. Devegowda was the Minister of PWD and Power for a long time over there. Why should he blame us here? (*Interruptions*)

SHRI H.D. DEVEGOWDA: I welcome healthy criticism by my sister. What is the contribution made by the Central Government? What is the capital that has been invested by the Central Government? It is not in the hands of the State sector. What is the money that has been invested for power production in the country? Karnataka has been neglected very badly. Karnataka has been given Rs. 801 crores whereas Gujarat has been given Rs. 1442 crores, Punjab—Rs. 1639 crores, Tamilnadu—Rs. 2010 crores, U.P.—Rs. 3403 crores, Madhya Pradesh—Rs. 2660 crores and West Bengal—Rs. 1249 crores.

I would like to ask a question: Is this decision the making of the State Government or the Central Government?

I will try to draw the attention of the Honourable House how the financial institutions have also treated the Karnataka State. The IDBI and others are institutions where the savings of this country are invested. The various financial institutions invest money for the industrial development of the country. So far as the IDBI is concerned the investment is only about Rs. 1334 crores whereas in Tamil Nadu it is Rs. 2524 crores, in Uttar Pradesh it is Rs. 2538 crores and in Gujarat it is Rs. 3,030 crores.

I am saying all this because I want everybody to open their eyes so far as Karnataka is concerned. We have not come here to while away our time.

In the Seventh Plan, the Industrial Finance Corporation has invested only

Rs. 343 crores in Karnataka whereas in the other States it is much more. I would have had no grouse if the other parts of the country are to be developed. But while making such investments the other areas should not be neglected and all areas should be treated on par with the other developed States. That is all I want to emphasise.

Under the Industrial Finance Corporation, Tamil Nadu is given Rs. 354 crores, Uttar Pradesh gets Rs. 1615 crores, Gujarat gets Rs. 497 crores whereas Karnataka gets hardly Rs. 237 crores.

Now I come to IDBI. These are all the institutions from where the money is going to be provided for various industrial development projects. Karnataka gets only Rs. 11.98 crores whereas West Bengal gets Rs. 237 crores. I can give several instances. It is a long list. I tried to collect the information, just to substantiate my argument. I do not want to come without any proper material to this house at my disposal. That is my habit. And my sister Smt. Basava Rajeswari tried to pounce on me. In fact, I fought the battle on the same issue and I had resigned my ministership.

These are the core sectors. For any industry or for agricultural development, or for any development power and irrigation are core sectors. I staked my political career and I resigned. You know what happened in Karnataka. I do not want to say anything more to my sister. That is why I am quiet for sometime because politics and power are not so important. We have come here as people's representatives. We have to do justice to them.

The UTI gave Rs. 1332 crores for Maharashtra whereas Karnataka got only Rs. 217 crores. In LIC, under the General Insurance they have invested very little sum. I can go on quoting figures for the information of the Honourable House.

Sir, why I am trying to highlight these things is to show how the infrastructural facilities have been provided so far as the so-called industrial development to boost the exports—to earn foreign exchange and get rid of the so-called external debt—is concerned.

One other point I would like to mention. You talk of NRIs. Yesterday Shri E. Ahmed and Shri K.P. Reddaiah were having an argument and counter argument I was just listening, sitting in the back benches. I was anxious to listen to the speeches of the hon. members, because I am a new comer. I want to just enlighten my self by hearing to our friends.

I do not want to blame the NRIs. I do not want to blame any entrepreneurs who wanted to come to help us in the hour of our need. We are in a difficult stage. I do not want to blame unnecessarily. You and myself are aware of many things. One of the giants of the public sector, the Mangalore Chemicals and Fertilizers was handed over to an NRI for a paltry sum of Rs. 13 crores. Sir, how this has happened? This project was started in 1969. Out of the total investment of Rs. 75 crores, Karnataka State Investment Development Corporation invested about Rs. 3 crores; Karnataka State Cooperative Marketing Federation invested about Rs. 3 crores; Karnataka Agro Industries Corporation invested Rs. 1.5 crores and the public shares was Rs. 13 crores. IDBI, LIC and other banking institutions invested about the remaining Rs. 55 crores. This project has come into production by 1969. The total accumulated loss is Rs. 55 crores. 165 acres of vacant land attached to this unit will cost about Rs. 200 crores. Today the cost of the entire unit will be about Rs. 400 crores. I want to know as to how many organisations came forward to take up this so-called unit, which is working under loss. I demand that the whole matter should be probed by the CBI. Who are responsible for these things? Sir, IFFCO and KRIBCO, cooperative institutions, and RCF, which is one of the other public sector companies, have come forward to take up this project. The State has not considered the offer made by these three organisations.

One NRI, who had invested only about Rs. 13 crores in this project had tried to take over the control of this project and he had become the Chairman of that unit. Earlier senior IAS officers were

there. I want to know as to how this unit had incurred loss. I would like to know the truth. I once again demand that the whole matter should be probed by CBI. I do not want to attribute any motive to NRIs unless the matter is proved otherwise.

The following projects are pending before the Government for the last five years for clearance.

1. Sivasamudram Seasonal Power Project.
2. Bhadra Right Bank Canal Power House Additional Unit.
3. Sarpadi Barrage Hydro Electric Project.
4. Katla and Palna Diversion Scheme.
5. Super Thermal Project at Mangalore.

I request the Members belonging to Karnataka State to join with me in pressurising the Government of India to clear these projects early.

Sir, the 2400 MW Super Thermal Power Project at Mangalore is a part of a protocol which was signed between India and Russia during Mr. Gorbachev's visit in late 1989. The work on this Rs. 5000 crores project was expected to begin in full steam within months of the signing of the protocol. But it has not seen the light of the day so far. Why? Who is responsible for this?

Now I will come to new industries which were proposed to be taken up in Karnataka. The foundation stone for the Vijayanagar Steel Plant was laid by late Shrimati Indiraji in 1971. In these twenty years, from 1971 to 1991, I would like to know the amount of money that has been invested for the development of major industries in this country. More than Rs. 60,000 crores have been invested. At that time this project was costing only about Rs. 2,000 crores. I want to know from the Minister as to why it has not been implemented.

Sir, about six months back, Karnataka has proposed to take up this project under joint sector. Even this is pending before the Government for the last six months. Even this has not been cleared so far. A person who has come forward to involve in this new proposal of taking

up this project under Joint Sector, is he expected to come and grease the Government of India's machinery at various levels? I am not interested who is going to be associated with this Joint Sector. Let A,B,C, D or X,Y,Z be given the opportunity to participate in this Joint Sector. But, I am only interested to see that this project is cleared immediately. Otherwise, the cost escalation will go up and the whole thing will further come to a standstill stage.

Sir, you are sitting in the exalted Chair and I am standing here to speak. This is only a God given opportunity for us. We should all come together irrespective of the party. All the 28 Members should fight for the cause of the State of Karnataka and see that the injustice that has been done in the last forty years would be undone otherwise we all should bend our heads in shame.

I want to say something about Mangalore Refinery. We used to read in the newspapers that it had been sanctioned. What happened to that? When it is going to be started? At what stage is it pending? I urge upon the Government of India to see that the work is started immediately.

The other issue is Liquefied Natural Gas Terminal at Mangalore. Discussions have been held by the State Authorities with GAIL Officials and an indication had been given that setting up a 6 million tonne capacity terminal is justified on techno-economic considerations. Establishment of a LNG terminal at Mangalore is therefore essential for the establishment of an LNG based power project which can be set up quickly to add power generation capacity in the State. Of course, the gas terminal would also help the industrial development of the coastal region. Subsequently the gas from the terminal could be transported through pipelines to other potential industrial centres in the State, where rich mineral resources are available, exploitation of which has not been so far possible. If this project is going to be sanctioned, it is going to help the coastal districts like South Canara and North Canara for fast growth and development of industries.

The other projects pending before the Government of India are (i) Proposed Scheelite beneficiation project at Hutti Gold Mines; (ii) Extension of Mysore Paper mills Forestry Research Project from five years; and (iii) Foreign Collaboration with Messers Yokogawa Electric Corporation, Japan for the manufacture of process control Instruments.

The other issue pending with the Government of India is growth Centres. Three districts have been identified namely Hasan, Raichur and Dharwar. A notification has been issued. What happened to this? What happened to these growth centres. When are they going to be started?

My last point is about Agro-based industries and food processing complexes. We are producing tea, coffee, cashewnut, oilseeds, cotton, sea food etc. Does it require any foreign money or hard currency? Does it require any technical know-how from abroad? Can we not invest money? Can we not support these industries by taking advantage of the raw materials that is available. Why these areas have been neglected, I am unable to understand.

This is the first time that a South Indian has become the Prime Minister of this country. I have the highest regard for Shri P.V. Narasimha Rao Jee who is one of the veteran politicians and freedom fighter. At least during his tenure as Prime Minister, I hope injustice done to Karnataka will be set right to a larger extent.

With this belief, I would like to thank the Chair for giving me an opportunity to

MR. DEPUTY SPEAKER: Now, the names are given like this. According to the strength of the party, the names are called but there is a system also for the names to be called. Now, the next speaker is BJP's Prof. Prem Dhuma. The next will be Shri Chhedi Paswan, then Shri Suraj Mandal and then Shrimati Basavarajeswari. Like this it goes on. Why I said this is so that the Members can have their lunch. Now I am calling Prof. Dhuma to speak.

[Translation]

PROF. PREM DHUMAL (Hamirpur) : Mr. Deputy Speaker, Sir, we are discussing the Industrial policy and the Demands for Grants of the Ministry of Industry. On this historic occasion when we are making a departure from the policies laid down by the great leader Nehruji, and change is a sign of life, I would like the Ruling party to admit that the earlier policies were wrong and that is why a change has been brought about in the industrial policy.

I would like to cite an example here about the earlier policies. According to Economic Industries Service Survey the Government expenditure in 1950 was Rs. 950 crore which was 10 per cent of the total budget. In 1991-92 it rose to Rs. 1,84,000 crore which was 31.7 per cent of the budget. On the one hand the Government says that the non-plan expenditure must be curbed where as on the other hand the figures contradict this theory. Similarly in 1950 we used to export goods worth Rs. 610 crore whereas goods worth Rs. 650 crore were imported. We are yet to compile the figure of 1991-92. But according to the figures of 1990-91 we export goods worth Rs. 32,500 crore and import goods worth Rs. 43,100 crore. The price index has shot up from 76 points in 1980 to 217 points. Similarly the price index of coal, petrol, electricity and other things have registered an abnormal increase. The price index of a petrol which was 65 in 1985 rose to 170 in 1990-91. One can guess what would happen in 1991-92 after the devaluation of rupee. Similarly, the price index of electricity was 78 in 1980. It rose to 210 in 1990-91. That of coal was 77 and it shot up to 232 in 1990-91. India occupies second position in the world so far as the population is concerned but it occupies 156th place when we look at the Gross National Product and the per capita Income. Therefore, I would like to submit that the Ruling party should muster enough courage to say that the past policies were wrong and they are changing them for the better. We would welcome it.

The Industrialists, should work like

Trustees and there should be workers participation in Management. This is essential for the workers. This would also prevent situations where the trade unions exploit the mill owners. If the Industrialists become trustees, the situation can improve. Wages will have to be linked with production if workers participation in management is to be made successful. There is need to encourage small industries along with big industries. The potter, smith, carpenter and weaver who work in the villages must be encouraged so that the demand for their goods may increase. I would urge the Government to ensure that their goods are popularised through the electronic media i.e. the Radio and Television, free of cost. There is need to set up fruit based industries. Lot of fruits are produced in hilly areas. Himachal Pradesh is one of the biggest fruit producers but the State Government cannot cope with the production and set up fruit based industries within its limited resources. Centre should pay attention in this direction and set up these industries so that people may get employment.

One thing which is being observed these days is that corruption and inefficiency has increased in the Public Sector whereas the private sector is flourishing. Those engaged in the private sector in the same trade are earning lot of profit as compared to the public sector. What are the reasons behind it? One of the reasons may be that you appoint politicians suffering defeat in the elections, as the Chairmen and Vice-Chairmen of the public sector undertakings or may be that the persons who have been appointed to these posts are not adequately qualified. Therefore I would suggest that a common pool of National management may be constituted wherein the talent of private as well as the public sector is pooled together. This will not only benefit our private sector but also the Public sector. We would be able to have good Managers.

Mr. Deputy Speaker, Sir, factories and industries are mushrooming near the cities, pollution is increasing and there is always a danger of accidents like the Bhopal Gas tragedy. Therefore my sub-

mission is that when licensing system has been relaxed at least some conditions should be imposed on the new industries particularly, making a provision of these being set up far away from the cities. Those who are willing to set up industries in the backward areas and the hilly areas they should be provided subsidy. A sub-industrial area should be set up outside the cities for industries manufacturing poisonous chemicals and which are hazardous in nature so that incidents like the Bhopal Gas tragedy could be averted and people remain safe.

Research and development should be encouraged as it is essential for industrial development and modernisation. One of my friends said just now that the Government should not spend its energies on the promotion of hotel industry and tourism and it should be handed over to the private sector. For example if we compare the margin of profit between the Government run hotels and the private owned hotels we would come to know the difference. Government hotels are running in heavy loss. With regard to the hilly areas I would like to add that the tribals should be provided employment and special attention should be paid to their craftsmanship. They are good craftsmen but there is nobody to patronise them and nobody encourages them. Therefore the tribals engaged in small industries should be encouraged.

Similarly, there are tremendous possibilities of Hydro-electric projects in Himachal Pradesh. 20,000 MWs of electricity can be produced there. You would also agree that the electricity produced from hydro-electric power plant is much cheaper than produced in Thermal power plant. As on today because of paucity of resources only 300 MWs of electricity is being produced in Himachal Pradesh. Now as per the new Industrial policy the private sector has been invited to invest in it. I would like that private sector should be invited to invest in the hydro-electric projects in Himachal Pradesh, so that the power crisis in the country is resolved and our natural resources are tapped to the best.

Similarly, there is ample potential for promotion of tourism in Himachal Pradesh but we do not get any special assistance in this field to develop the tourism industry. The Centre should provide assistance on a priority basis for the purpose.

Mr. Deputy Speaker, Sir, the Centre always discriminates with Himachal Pradesh and consequently no heavy industry has been set up in the State. There is tremendous potential for electronics industry in the State but no attention has been paid to it so far. I would like to cite an example in this regard. In spite of repeated reminders by the State Government to construct two kilometres of broad gauge line between Kalka and Parwanoo, which is a big industrial town, no attention has been paid to it. I would therefore urge the Railways Ministry to expedite the work and extend the broad gauge line for two km. only; because if it is not done how would the Government be able to make the backward areas progress. How would these areas develop? Similarly, the work of Nangal-Talwara railway line had been started way back in 1973. Not even 14 kilometres of the track has been completed so far. Only Rs. 2 crore have been released in this budget for this Rs. 100 Crore project. Now you can yourself imagine as to how much land can be acquired and how much track can be laid with this amount.

The Central excise duty on some goods has been increased and not reduced. Thus the goods have become costlier. For instance if an item used to be sold for Rs. 60 now it is sold for Rs.90—110. This has resulted in additional burden on the consumer. My submission is that when the prices of raw material has increased and the cost of production has increased the exemption limit for excise duty should also be raised. This would help in improving the quality and quantity of goods manufactured by small units.

Sir, I would like to draw the attention of the House to another matter. Madhya Pradesh is one of the biggest producers of Iron ore and it is exported from there

to Japan at throwaway prices and the State Government gets very little amount of royalty. Later we import the processed steel goods at exorbitant prices. Now when we are making drastic and revolutionary changes in the industrial policy, would the Government take steps to process the iron ore in the country itself. The hon. Minister who deals with the small scale industries is not present here in the House and therefore I would like to draw the attention of Industry Minister, Shri Thungon to this fact that lot of iron ore is being exported to foreign countries. The Government has brought about revolutionary changes and is making claims that industry would progress by leaps and bounds. Will any steps be taken so that processing of iron ore is done in Madhya Pradesh itself and we are able to save foreign exchange? Without taking more time, I conclude with these words.

SHRI CHEDDI PASWAN (Sasaram):
 Mr. Deputy Speaker, Sir, the new Industrial policy announced by the Government proves beyond doubt that most of the industries would be free from licensing system, ceiling of capital under the Monopolies Act would be done away with, foreign capital ratio would be increased and traditional industries would be protected and promoted. Not only this, the nexus between Government and Capitalists would become more vicious and we would drift away from socialistic philosophy and get into the American trap. This policy would definitely increase the gap between the rich and the poor. Medium scale industries would receive a setback and the opportunities of the development of backward areas would also be remote. Foreign debt would increase and life of common men would become more difficult.

I would, therefore, like to submit to the Government that we would not be able to solve the problem of poverty, unemployment and regional imbalances through the capitalistic system. If we want to remove unemployment from this country we will have to give top priority to small and medium scale industries. The goods manufactured by the small units are in no

way inferior in quality than the goods manufactured by big industries. So far as I know 35 per cent of the goods in the country are manufactured in the small and medium industries. 40 per cent of the exports are being shared by the small and medium industries. But it is a matter of regret that only Rs. 360 crore have been allocated in this year's budget for the development of small, medium and rural industries. I would submit to the hon. Minister that unemployment could be removed if more small scale industries are set up in the country. Therefore, this provision of Rs. 360 crore should be increased to at least Rs. 1000 crore. There seems to be no other alternative to remove the unemployment problem. Because of the wrong policies of the Government about 2 lakh and 40 thousand big and small units are lying closed in the country today. The main reason for the closure of small or big units, except in two per cent cases, is internal feuds big industrial houses. Wrong policies of the Government are also responsible for closure of factories. There is need to simplify procedures and other rules and regulations. Only then can we develop the small industries.

Mr. Deputy Speaker, Sir, the new Industrial policy has opened flood gates for the multinational companies. The Government should withdraw this policy. A new policy should be framed after arriving at consensus. While formulating this policy long term objectives have not been kept in mind. We have achieved a lot through indigenous techniques and it is only through this that our healthy development is possible.

Sir, it seems that we have become slaves of America. We wonder and fail to understand how the hon. Finance Minister Shri Manmohan Singh rejected the path of socialism after 35 years adopted after Independence. Socialism was meant for the development of backward areas and making the country self-reliant. The Finance Minister thinks that there is no need for that now. So far as I know the Finance Minister, when he was Finance Secretary, Governor of Reserve Bank of India and Member of the Plan-

ning Commission he always supported those policies. How there is a sudden change of heart, one fails to understand. We should seriously think why America wants us to remain in debt. Does it really want to bring India into the international market? I think that a handful of industrialists, politicians and bureaucrats want to influence the country's body politic.

14.00 hrs.

I would like to suggest to the hon. Minister of Industry, who is present here, that financial assistance to the big industrial houses should be given only when none of their other units is sick and against none of their units any dues of Government or banks or any financial institutions are pending recovery. It is being seen that their units are reported sick on one hand and on the other hand they are setting up new units with loans. They are also repaying their old loans by taking fresh loans. Today, to set up new industry and thereafter to make it sick and to get relaxations from the Government, banks and financial institutions has become a profitable business. In fact these relaxations are meant only for small scale units. Concession of crores of rupees have been given to the big industries like Thapar K. Epitence Co. and the Ansal Paper Industry and their loans also have been waived off. At the same time the small industrial units are being auctioned. So, such dual standard policy must be done away with. Today, the owner of a small scale unit does not get any facility because he does not have access to the big political leaders and the Government officials. If we really want to help the small scale industries, they must be liberated from inspector rule. On the one hand, in the name of providing reliefs to the big industries, interest on their loans is either waived off fully or charged at nominal rates of 6 to 10 per cent whereas on the other hand interest at the rate of 20 per cent is charged from the small scale units. So, rebate in interest rate or waiving off the loans is just a dream for the small scale industries.

I would like to draw the attention of the hon. Minister towards Bihar. Bihar is rich

in mineral deposits but there is a scarcity of industries there. There is a scope of Super Thermal Power Station there as there are a number of coal-mines in the State. I urge upon him to set up a Super Thermal Power Station there. In 1986, the Bihar Government had submitted a proposal to the Central Government for a Rail Engine and Coach Factory at Jamalpur in Bihar. But that proposal is pending with the Central Government. 4 units manufacturing paper, sugar, dalda and cement are lying closed. Hardly, one or two units have been re-started. Other units should also be re-started. People, whose land was acquired for PPCL factory, Amjhore in Sasaram were assured jobs in the factory but nobody has been given any job in this factory. Smoke released from that factory causes pollution in that area and is harmful to the crops, trees and plants. Acid-gas is released at night when the people are in sleep. That gas adversely affects the pregnant women and cattle and causes abortions among women. So, some arrangements should be made for the use of the acid gas being emitted by this factory. I thank you and conclude.

SHRI SURAJ MANDAL (Godda): Mr Deputy Speaker, Sir, the New Industrial Policy is being discussed. Industrial policy was framed first time in 1948 in our country. Industrial policy was declared by the Ministry of Industry. It was said that there had been good production and profit.

14.05 hrs.

[RAO RAM SINGH *in the Chair*]

If it was so then why the industrial policy is being changed. India is a country of villages with its 85 per cent population living there. In this new industrial policy they have been totally neglected. Our country's population is 85 crores whereas America's population is 24 crores, even then our country is adopting the technology of U.S.A. by adopting new technology, job opportunities will decrease. No incentive is being given to increase production of those essential commodities which are produced in villages. If we set up small and cottage industries in the rural areas, we can offer

employment to our lakhs of unemployed persons. In this new industrial policy criteria for setting up small scale industries have not been prescribed. Tata manufactures steel and the same Tata makes farmer's plough-share also. So the village-folks and labourers jokingly say that Tata is the biggest black-smith of our country. Similarly Bata is the biggest shoe-maker and Birla is the biggest potter of our country. It is because of our industrial policy that potters, black-smiths shoe-makers have been rendered unemployed.

Mr. Chairman, Sir, the Government should change this policy. I urge upon the Minister to visit at least the 'Khadi Bhandar' located in Cannaught Place of Delhi as they do not have time to go to the villages. And they should look the small items like honey and leather-shoes made by the farmers so that production of these items may be encouraged. Government should give incentive for the production of these items. No attention is given to the agro-based industries. Tata and Birla have been always encouraged in the country but agro-based industries have not been given any encouragement. Big industries must be set up undoubtedly but mechanisation has rendered lakhs of people jobless. Government should think over this problem also. Trees are being planted under the afforestation programme in the country and the shoots are also coming out but like-wise population is also increasing every minute in the country. The number of educated employed youth is increasing day by day. If you do not pay any attention to them, a day will come when the unemployed villagers will cut off the branches of trees standing in the magnificent bungalows of high-ups of Delhi and take them to their villages.

It seems from the way Tata and Birla have been encouraged during the last 43 years that the wealth of villages has been brought to Delhi and now it is being carried to America and other countries.

Mr. Chairman, Sir, Shri Pius Tirkey was saying the right things yesterday but the members were laughing at him as they did not take him seriously. We

should listen attentively to a small child also if he says an important thing. In preference to foreign goods we are ignoring our indigenous products. Today plans are made in the country on the basis of the assistance we get from the World Bank. What is the mystery behind it? The World Bank dictates their own terms and conditions in formation of our projects. Similarly, the way foreign capital is being allowed to enter into the country, it may pose serious danger to our hard earned freedom.

Mr. Chairman, Sir, there was some purpose behind nationalisation. Loopholes in nationalisation should have been plugged. We know that there are few supporters of the so called capitalists and these are the very people who did not allow nationalisation to succeed. They did much harm to the industries. Our living is based on agriculture and forests. Incentives are not being given to forest based industries. Today, there was question No. 519 regarding setting up agro-based industries. Bihar has been neglected and meted out step motherly treatment in the matter of setting up agro-based industries, as very few industries have been set up there as compared to other states. Mr. Chairman, Sir, I would like to give some figures in this regard. The State of Karnataka is smaller than Bihar but the number of Agro-industries in 1986-87 was 2835 in that State whereas it was 1336 in Bihar. 17609 Agro-industries were set up in Orissa. During the year 1987-88, 26115 and 1316 industries were set up in Orissa and Bihar respectively. In 1988-90, 21567 industries in Orissa and 1275 industries in Bihar were set up. Thus number of industrial units in Bihar instead of increasing is decreasing. Small industries are set up in cooperative sector. On this analogy, farmers in Bihar should be given incentives to set up sugar and jaggery units. Bihar has always been neglected, it did not get any financial assistance during 1988-90. In 1990 it was given only Rs. 5 lakhs 776 only. Once again during 1990-91 no assistance was given to Bihar whereas Karnataka was given Rs. 11097 lakhs. In 1989-90 and 1990-91 Karnataka was given 260.35 lakhs rupees and 105 lakhs

rupees respectively. So, other States have been given more than Bihar.

Mr. Chairman, Sir, 41 per cent of the mineral deposits are found in Bihar yet industries are not being encouraged in that state. It is the state from where minerals are supplied to the entire country. Thus, Bihar has been meted out step-motherly treatment. Aluminium plant was set up at Renukut for which ores are exported from Bihar. I am talking of the minerals deposits at Lohardaga. At the time of setting up an Aluminium plant at Renukut an understanding was given to set up an Aluminium plant in Bihar. Birla has not fulfilled that agreement so far. Government has also not taken any step in this regard. Thus, Bihar is being neglected. Mr. Chairman, Sir, please give me some more time because it is my maiden speech.

MR. CHAIRMAN: Every day you deliver a maiden speech.

SHRI SURAJ MANDAL: There are ten thousands industries in Bihar. H.E.L. is in Hatia and Bokaro. Tata's industry is in public sector. If you want to encourage small scale units in Bokaro, I would like to give two examples Chittaranjan Locomotive works is located near my residence. I want to give just an example how entrepreneurs producing quality goods in small industries are discouraged. There was an Engineer, Mr. Sur in Chittaranjan Locomotive Works, who after resigning from there set up a factory at Mihijam adjacent to West Bengal for making ball-bearing. He wrote to C.L.W. offering to supply ball-bearings but his offer was rejected. C.L.W. used to import ball-bearings from Japan. Then Mr. Sur contacted that company in Japan and found their ball-bearings excellent. Later on he found that the indigenous ball-bearings were marked the stamp of 'made in Japan' and were being supplied to Chittaranjan Locomotives. So in this country only those products find market which are produced under big sign boards and whose advertisements are given on T.V. on mass scale although these products may be sub-standard. Sub-standard products are encouraged whereas good

quality products are discouraged in our country.

I would like to give another example of Bokaro to show as to how the small industries are crushed in the country. In Bokaro where lies the Steel plant, the Bihar Government has set up an industrial estate in which 50-60 small industries have been set up. But today those units have been closed because the Bokaro Steel Company did not purchase goods produced by them. It purchases those very items from Chandigarh, Delhi, Bombay and Calcutta. Therefore, these units are on the verge of closure and that Industrial area now is existing just for name-sake today. But we should know the reasons behind all this. They do not purchase those items from there because these are available at cheap rates and besides that the amount of commission as charged by them would be known to all at once. Therefore, they do not purchase these goods from the market near to them. And who bothers of going to Delhi, Bombay or Chandigarh to know these things? So, we should have to go through the reasons of failure of these units. Mr. Chairman, Sir, I would like to say as to why we are going towards de-nationalisation after nationalisation.

Efforts were not made to rehabilitate those persons whose land was acquired to set up factories/projects. They have not been provided employment in them. As a result, when they start agitations the Government handover the management of public sector undertakings to that of private sector. Even in the field of coal production, foreigners have been invited. There is a Rajmahal Thermal Power Project to which coal is supplied for Thermal Power. You entered into an agreement with Canada Government to increase the production of coal for Thermal Power. Canadian people are availing maximum facilities. The Dak-Bunglaw which was used by us was not air-conditioned but after coming of Canadian people it has been made air conditioned. Air-conditioned cars have been provided to them. There is a failure of industries in our country owing to the

facilities provided to them. The people who work more get less remuneration and more money and more facilities are given to the people who work less. Hard working man who works for 8 hours daily get negligible facilities. Due to this reason, today our industries are proving to be a failure.

Mr. Chairman, Sir, through you, I would like to draw the attention of the Government to the fact that out of about 10 thousand industrial units in Bihar, 5 thousand have been closed. The Government should go into its reasons deeply why such a large number of industries have proved a failure. I would not like to repeat all that Shri Chhedi Paswan said just now. If a person declares the industry-sick, which was set up after taking loan from the Government, he does not hold any responsibility as far as the amount of loan is concerned. But if a poor man gets loan of rupees 5,000 from any bank and if he finds himself unable to repay it for any reason, warrants are issued against him and his property is attached and land seized. On the other hand, if a person after taking loan from B.S.I.D.C. or B.S.F.C. declares the industry sick, he heaves sigh of relief and the responsibility is shifted to the Government. Non-repayment of loan proves bankruptcy of industrial policy of our country. This is the reason why the Government has been forced to sell gold. Where has the gold gone? That gold is being purchased by Indian people only. Contacted all the industrialists of India and after collecting the money deposited the same in Swiss Banks. Later on, gold is sold

MR. CHAIRMAN: It is not proper to quote the name. You have taken name of who is not present in the House. It is not proper.

SHRI SURAJ MANDAL: He is not the Member of this House.

MR. CHAIRMAN: His name should not be recorded in the proceedings. Nobody's name will go on record.

SHRI SURAJ MANDAL: It has become the country of Sathus.

Mr. Chairman, Sir, I would like to say that there are minerals, gold, copper and iron ore available in our country and recently gold has been found in the area of Munger but nothing is being done to explore the gold there. No effort is being made to exploit those minerals. If it is done the country will get the gold and people will get employment. Coal is produced in Jharkhand area but no thermal power station has been set up there. No industry has been set up there because power is not supplied to that area. How the industry will run in the absence of power. Therefore, it is my demand that Karanpura Thermal Power Station which is under consideration of the Government should be cleared immediately. It should be cleared without any further delay. Injustice has been done with the people of Jharkhand and Bihar. Farakka Thermal Power Station should have been set up at our place as coal and water is available at a distance of merely 10 kilometres. At present also coal is transported for this power station from Rajmahal which is at a distance of 188 kilometres. But the thermal power station was not set up at that site. Therefore, I urge upon the Government that Karanpura Thermal Power Station should be made operational immediately.

I want to say one thing about mica. MIDCO was a source of employment for the poor people of entire Chhota Nagpur and Jharkhand area. But today because of negligence of the Government mica industry seems to be at the verge of closure. The Government should pay due attention to it. There is a proposal to merge it with M.M.T.C., an institution of all India level. You can merge it but Mica-based industries should be set up in our area because it is available in that area. Industries should be based on minerals available in a particular area. But it is not being encouraged as in the case of Bokaro Steel Plant. We get iron at that vary rate at which it is sold in Ahmedabad and Bombay. Thus it is necessary to set up iron ore based industries to provide employment to the unemployed people of the place. You can provide maximum employment to the

unemployed only by setting up coal-based industries and cottage industries in the villages. You should pay more attention towards cottage and small scale industries. You should invest maximum on setting up of small scale industries, cottage industries and leather industry. On these items you should invest seven thousand crores of rupees instead of seven hundred crores of rupees. Only then we would be able to discharge our responsibility honestly towards the people of India and win their confidence. Therefore, I would like to ask the Government whether it intends to follow such a policy or not?

Mr. Chairman, Sir, if any machine is procured, it is imported from abroad. We see in Railways that every machine is procured from outside the country. Earlier, 36 persons were deployed for repair of a wheel but now 8 persons are found sufficient for doing the same work. If we go on doing the same thing in the name of modernisation, a lot of people would become unemployed. Money would be wasted in importing new technologies from abroad. When Shri Madhavrao Scindia was Railway Minister, he procured new technology for Railways from outside and 50 crores of rupees were invested. The result was nil. I mean to say that the money should be invested in the villages of India and the industrial policy should be framed in favour of small scale industries. We should reconsider large foreign capital investment.

Mr. Chairman, Sir, I conclude with these words.

[English]

SHRIMATI BASAVA RAJESWARI (Ballary): Mr. Chairman, Sir, I thank you for having given me the opportunity to participate in today's discussion.

Before I discuss the Demands for Grants of the Ministry of Industry, I would like to say a few words about the General Budget since I did not get an opportunity to participate when the General Budget was discussed.

The Indian economy is now facing an unprecedented economic crisis in the history of independent India, almost direct foreign investment in specified

reaching the threshold of debt trap. Any negligence and delay on our part in taking corrective measures at this juncture would jeopardise our economic freedom. Our Government deserves congratulations for taking timely and bold decisions to restore the health of our economy.

The crisis the Indian economy faces is reflected as we all know, in an unprecedented increase in public debt—both internal and external—, lower returns on investment, sluggish exports, rising imports, mounting fiscal deficits, double digit inflation, decline in the flow of foreign capital and balance of payment crisis. To put it in short, the country is living beyond its means. The country can afford to have this luxury only at the expense of our free economic freedom.

The Indian economy which has developed series of mal-adjustments in the last few years needs immediate corrective measures as well as long term stabilising measures. The economy needs shock treatment, surgical operation and blood transfusion. Series of economic policies announced by our Government and the measures proposed in the Budget will act as corrective and stabilising measures.

Industry and trade are given shock treatment by liberalising the policies. They are exposed to international competition so as to make them realise the need to achieve competitiveness, avoid waste, reduce cost of production, increase productivity, improve quality and augment exports. Another measure of shock treatment administered is reduction and rationalisation of subsidies.

Surgical operation measures are proposed in various fields of the economy such as industry, trade, banking, etc., to remove the superfluous things that have accumulated which are acting as impediments for country's development. They are made to realise the need to act on commercial principles.

The economy needs blood transmission in the form of larger volume of foreign investment to sustain growth. The budget has proposed to welcome

high priority industries with a raised limit for foreign equity at 51 per cent.

During the Seventh Plan, there was enormous growth of production in our country. It has risen to 8.5 per cent which is very much encouraging. Due to Government's policy, good labour relationship, and timely supply of raw materials, it has resulted in increase in the production in the private and the public sectors and also in the small-scale sector.

Before I come to steel sector, I would like to point out that it is very essential for the all-round development of this country. By and large, we are going to face shortage of steel within a short period. Even taking into account the expansion in the public undertakings and the secondary sector, there is going to be a shortage. Hence, it is very much necessary that more and more new steel plants should be started during the Eighth Plan period.

As my friends put it, Vijayanagar Steel Plant has been pending for a long time. Very recently, Karnataka Government has entered into a joint sector and they have applied for a licence. As on today, under the new Industrial Policy, it is not necessary to have a licence. But I came to know today in the morning when the Hon. Minister was to reply, that technical experts have already cleared the technical feasibility of this project. I am shocked to hear that Government of India is not at all concerned about the setting up of the Vijayanagar Steel Plant. They have said that it is the responsibility of the Karnataka Government to set up this project. I am afraid whether this project would at all come up with the huge investment. It is our earnest desire that Vijayanagar Steel Plant should come up as early as possible. The ore produced there is of high grade. Sufficient ore is available. All the infrastructural facilities have been provided by the State Government. Four thousand acres of land have also been kept idle. It is high time that the Central Government and the Planning Commission should come forward to see that the Vijayanagar Steel Plant is set up as early as possible.

Regarding the mini steel plants, I am afraid that most of them are going to be sick. There is no scrap available. Even if it is available, the cost of scrap is going to be very high. Most of the mini steel plants in the secondary sector are dependent on the scrap. As on today, we are finding very difficult to get the foreign exchange to import the scrap through the MMTC.

If the import of scrap is stopped by the MMTC abruptly, and if the actual users are not provided with scrap, then most of the industries are going to be sick shortly. So, the alternative is to set up sponge iron plants. So far, how many sponge iron plants have been set up? To my knowledge, only one or two sponge iron plants have been started. And 30 per cent of this sponge iron can be used in mini steel plants. Therefore, I would urge upon the Government to start more and more sponge iron plants. As on today, the Kudremukh Iron Ore Company has proposed to set up a sponge iron plant and in my constituency, Bellary also some private parties have come forward to set up sponge iron plants. Hence, I would request that sponge iron plants should be started more and more for the secondary sector so that their enhancement will be assured.

Now, the housing problem is very much increasing. We have decided to see that each person in this country will have a house to live in. But as on today, we do not want to destroy the environment. So, what is the alternative? The alternative is to go in for steel and aluminium. If the present situation continues, then it will be very difficult to cope up with the increasing problem of housing. So, taking into consideration all these factors, the planner should think of expanding the steel industry.

Cement is also very essential. There are very big plants which are producing cement and they are also making little bits of profits and dividends are also encouraged. I do not want to come in their way. But I would like to speak of my own State wherein we have started tiny, micro and mini cement plants using the VSK technology. Sir, for your information,

I am sorry to say that all the steel plants upto 100 CPD have been closed. The reason is that coke is not available for these mini steel plants. Coke bricks were available from Visweshwar Iron and Steel Company. We had projected that we will get it at a reasonable rate so that the mini cement plants which are mostly dependant on the coke bricks can make a little bit of profit. But as on today, it is not available. They have to get it from the main Steel plants of Rourkela, Bokaro or Durgapur. Since they are very far, it is very difficult to get the coke bricks from there. And even if we get it, the prices are very high. Hence, most of the cement plants have been small plants as they are using only scrapped ore and the entrepreneurs are local people. 30,000 to 40,000 people have become unemployed after the closure of these units. Hence, I would request the Government to come forward and see that Small Industries Corporation collects the coke bricks from the main plants at a reasonable price and see that they are being distributed to the actual users as per their requirements. If this will be done, then I think, we will be saving a lot before they become sick and we will be doing great justice to the small scale sector.

Then, I come to the sick industry. Most of the cases have been referred to the BFIR. Most of the speakers who spoke on this Demands for Grants said that there is lot of delay in the disposal of such cases. By that time, what will happen to the entrepreneurs? What will be the rate of interest? How much burden will they have to face? If it is going to take years together for the disposal of such cases, then there should be a time-bound programme to see that within such a period the revival of such industries will be done as early as possible.

Regarding small scale industries also we have to constitute some body wherein we can locate the small scale industries which have become sick. There are industries which have been started only to use the subsidy.

Such industries can totally be closed. But there are some industries which can be revived with a little assistance from a

bank or with some other help. Many of these units were closed for various reasons such as power disconnections, insufficient working capital, subsidy not coming in time and so on. So, all the units should not be clubbed together. It should not be said that lakhs of industries have become sick. Here I suggest that at every district level we should have a small committee. This committee should go into all the details and see why an industry has become sick and whether it can be revived or not. If it can be revived, it will have to be revived. If it cannot be revived, then only we should say that it cannot be revived. The committee at the district level should go to each plant and find out the details. If some remedial action can be taken to revive the plant, we should see to it that action is taken so that many industries can be cured of sickness.

Now, I want to say something about the women entrepreneurs. I am glad that there is a separate cell for women to start industries.

MR. CHAIRMAN: Madam please wind up.

SHRIMATI BASAVA RAJESWARI: I will just take two more minutes Sir. I am speaking on women and as a woman speaking on women, I have to say what I have to say and of course I should be given time.

I suggest that there should be a separate single window agency to assist ladies. Certain industries should exclusively be reserved for women. Therefore, I would request that more and more women cooperatives should be given encouragement. Also, there are a lot of women MBA graduates. But Government are not recruiting women managers. Do you mean to say that we are not capable of taking up managerial jobs? Why are the public sector undertakings not employing women MBA graduates in their managerial cadres? Government should take note of this and see that more and more women are taken in managerial cadres and they should be given all encouragement to start industries.

Sir, I suggest that growth centres should be encouraged. I find that 70

growth centres have been sanctioned. I have been asking for the inclusion of Bellary and time and again I have been giving a proposal for Kurugod in my constituency. May be due to some political considerations, I lost the chance. I plead that at least now the Government should take up this proposal for setting up a growth centre in Kurugod. This actually comes under 'no industry area'. Unfortunately, in our State of Karnataka only Bidar district comes under 'no industry area'. Now industries are coming up very well in this area. I am not suggesting that we should give up the concept of 'no industry district'. But it should be justifiable. At least in the Eighth Plan, more growth centres should be located in more and more places. Also, there should not be any discrimination between one State and another. Generally what happens is, if we do not cry, we do not get. It should not be like that. Wherever we deserve, we must get it. It is all the more necessary to decentralise industrial production. Those places having resources and other material should be given preference so that more industries can come at district level and many more people can be employed at district level itself.

MR. CHAIRMAN: Madam please wind up. I am very hesitant to check a lady so often. But please conclude.

SHRIMATI BASAVA RAJESWARI: Just one minute please.

Sir, a lot of gas is available in Bombay High and now it is being wasted. There should be a pipeline from Bombay High to Mangalore. Since the distance between Ratnagiri Coast and Mangalore is not much, this pipeline should be extended. Karnataka faces acute shortage of power and we are depending on hydro-electricity only. We are asking for one super thermal plant in Torangal. A lot of mineral is being carried out to Madras in trains and the wagons are returning empty. Why cannot they bring charcoal so that we can have a super thermal plant at Torangal near Vijayanagaram Plant. This is our demand.

Sir, I also request that Mangalore Coastal line should be developed. Here

all infrastructure facilities and minerals and sandalwood and many other natural resources are available.

I also feel that the surplus gas from the Cauvery Basin should be brought to Karnataka State.

So, a southern Gas grid should be established which would be of great help to the entire southern region. I request the Minister to consider it favourably.

We have got a lot of mineral wealth. Minerals like the Gold, Iron, Manganese are in abundance. Those States which have the mineral wealth, they are making good profits. So, we should also explore these mineral wealth and in this way more and more people will get employment.

In my constituency thousands of people are engaged in the garment industry. Ballary is one of the biggest place where this garment manufacture is going on. The Government should encourage this industry and see that local entrepreneurs and local craftsmen are employed in this industry.

With these remarks, I support the Demands for Grants of the Ministry of Industry. I thank you for giving me so much time.

[Translation]

SHRI RAMASHRAY PRASAD SINGH (Jahanabad): Mr. Chairman, Sir, I thank you for giving me time to speak on Demands for Grants of the Ministry of Industry. The discussion on new industrial policy is going on. I oppose the new industrial policy.

Sir, through you, I would like to say that the industrial policy of the country was formulated during 1956 under the leadership of Pandit Jawaharlal Nehru and with its help we have developed basic industries in our country. At the time of developing basic industries as negotiations were being held with America. Our Prime Minister had even visited America for this purpose. The then President of America had suggested not to develop these industries. There is no dire necessity of developing basic industries. These industries are being developed in private sector. After returning back from

there the same industries were set up in collaboration with U.S.S.R. We have enhanced the prestige of our country after setting up these industries. As a matter of fact, our country has achieved a position in the world in the field of industry. I am unable to understand the reason of formulating a new industrial policy today. The reason was told that the previous industrial policy could not advance the country in the field of industry. We have suffered loss or earned less profit in public enterprises. It is a matter of serious concern. Why we have earned less profit in the industries set up by us. We should think over it. It is said that private sector earns more profit and production is more as compared to public sector. On the contrary, public sector earns less profit and the production is less. I think that it should be corrected and accordingly there is a need to change the policy. Apart from this, rampant corruption is there. It will remain whatever policy you may adopt. It has caused a great loss and contained profit in industries of the country. Who are the managers? They are the people of our country. Why do the people manage like this? It has already been discussed in the House for a number of times that there is a collusion between the managers of public sectors and private sectors. The managers of public sector receive a lot of money from private sectors. Private sectors intend to prove failure of Public sectors. Keeping in view all these things we should improve management. Though our Finance Minister is a famous economist but the new industrial policy formulated by him will cause a great loss to the nation. Foreign companies will get a chance to enter India and set up a network here with the help of this new industrial policy. They will start producing more and more in our country and earn a lot of foreign exchange in the name of production. And our cottage and small scale industries will have to suffer. So all these things should be taken into account while formulating a new industrial policy but no attention has been paid to it.

Mr. Deputy Speaker, Sir, we will come to know the results of this new policy

within 6-8 months. Now, I would like to focus on my constituency. Bihar is a backward State. Although people say that Bihar is full of natural resources yet it is backward. It shows that adequate number of industries have not been set up in Bihar. Jahanabad is our district, I belong to it. It is a 'No Industry District'. But it has not been included in the list of 'No industry districts'. It should be included in the list. We are not getting the benefits. This matter had been raised many a time. When I was the member of the Advisory Committee on Industries I had raised this issue even during 1984. Jahanabad has been formed a new district. That is a 'No industry district', and a sensitive area. It is a terrorist-infested area. We should set up industries there so that misguided youths could get the job. But it is not being done at all.

Thirdly, I want to emphasise that industry should be based on maximum production of a particular state. Mangoes of good quality are produced in our Jahanabad in Bihar. These good quality mangoes are exported. We should set up an industry there. We can derive both benefits out of the crop. We can prepare juice of the mangoes as well as oil of the stone. We can also solve the problem of oil. There is a large production of paddy in Bihar. It is of good quality. We can set up an industry based on paddy. We should establish an industry in Bihar or at any other available place so that oil could be derived out of husk of rice and paddy. You can be benefited by way of developing edible oil. That is why we should say that employment can be provided to maximum people by way of setting up an industry based on production of a particular State. You can also earn foreign exchange by exporting the finished goods. But you should do all these things. The situation of handloom industry in Bihar is very precarious. It is on the verge of closure. Lakhs of people are facing unemployment. The first thing is that there is a scarcity of electricity. All these electricity based industries are on the verge of closure. Secondly, there is no market for the goods produced by these industries. These people manufacture 'Lungi' towel (Gamsha) and bed-

sheets. If the Government wants to develop this industry, a market should be opened in which all the goods are procured by the Government. Only then, these people will stand to gain otherwise they will not be benefited. Presently, all the managers are looting the handloom weavers, who have become unemployed. For them, I would like to request the hon. Minister that attention should be given to encourage cottage industries. If we want to contain unemployment, we should develop cottage and small scale industries. Providing jobs will not solve the problem of unemployment. Owing to this industrial policy, I am opposing the Demands of Grants. The country will not be as benefited as being considered.

With these words, I conclude. I thank you for giving me an opportunity to speak.

SHRI BHERU LAL MEENA (Salumbar): Mr. Chairman, Sir, I would like to speak on the Demands for Grants of the Ministry of Industry. As regards, new industrial policy of the Government I would like to say on the basis of my personal experience that privatisation would benefit as well as harm the country. I have worked among labourers. At present, the number of labourers in public enterprises are more, and less labourers are deployed in private industries. Labourers would either be retrenched due to modernisation or deployed less in the new industries to be set up. The production would be enhanced with the help of new technology and with the result there would be an exploitation of labourers. This is the intention of the Government. All of us are aware how the private industrialists behave with the labourers. That is why I would like to say that strict rules may be made before private industrialists are incorporated. If an industrialist exploits the labourers, strict law should be enacted to check exploitation of labourers.

Mr. Chairman, Sir, I have no regret in informing you that most of the public enterprises are closed and sick, according to my information. Who is responsible for it? I want to tell you on the basis of my experience as a labourer in Hindus-

tan Zinc that the management is responsible for it. The members of management visit abroad for training just to entertain themselves and a lot of money is spent on them. They want to work in a particular style whereas the workers want to work in a different style. Both aspects of practical and theoretical should be adopted in industries. The officers want to work on the line of theory but the workers want to do practical work. A difference of opinion develops due to separate views of them and deficit starts incurring in industries.

Today, we talk about participation of labourers in management and we have worked since long under this policy. The way the officers are maltreating the labourers the industries are running in deficit.

The same is the case with other industries. I know that employing less officials in private sectors would incur profit definitely but it would not solve the problem of unemployment of the country. I wish that it should be ensured before enforcing this policy that unemployment is not increased and labourers are not retrenched.

Sir, I would like to know from where the labourers in villages get the education of modernisation. They would not be able to adjust to it. In an advertisement, posts are advertised in which Scheduled Castes and Scheduled Tribes find themselves unable to fulfil the required high qualification, and it is said that the advertisement is for them and they would be appointed. But in fact, these jobs are not given to them.

15.01 hrs.

[Shri Sharad Dighe in the Chair]

Therefore, the new method which is adopted will certainly result in retrenchment of labourers. I would like that the illiterate labourers belonging to backward classes, residing in backward areas are taken care of. Illiterate and less educated labourers find it difficult to get a job in the industries that are being set up. During the installation of an industry these labourers are paid Rs. 10/- or Rs. 20/- per day. As soon as the industry becomes operational, they are retrenched

and new type of people come. What do the people of that area think? They are of the opinion that they contributed their might for the construction of the factory, and in the process of construction a few lives are also lost, but after completion it is the outsiders who find employment in that factory. Definitely the people of that area feel sorry due to this state of affairs.

I take this opportunity to submit that whenever some new factories are installed, local people should be provided employment in those factories, so as to reduce poverty in the area.

Sir, the contract system prevailing in our country has been opposed by all organisations and labourers. But contrary to it contract system is increasing day by day. Labourers are exploited like anything under the contract system. Despite taking work from them, even for four-five months, they are not paid their wages. Therefore, I would like that the labour policy should be framed in such a manner that stern action may be taken against the exploiters. In Rajasthan, there may be several such factories. Jaipur Cement Works of Sawai Madhopur in Rajasthan, has been lying closed for five years, but the officials and labourers are still employed in the factory. Attendance of labourers is marked regularly; if any labourer is absent enquiries are made against him and they are suspended, but they are not being paid a single paisa as wages.

Mr. Chairman, Sir, this was not the situation before independence, but even after independence such treatment is being meted out to labourers. I would like to appeal to the hon. Minister to talk to the labourers of cement factory who are nowadays in the capital. This whole affair needs thorough investigation. Rajasthan is a backward state which is rich in minerals, but no big industry is there. Private or Public Sector Undertaking should be set up there to exploit the mineral wealth so that the backward sections in Rajasthan may get some benefit. There is no small or big industry, especially in tribal areas. In these areas, the people depend on selling coal or cutting wood from the forest for their

livelihood. Now they are finding it difficult to sustain themselves in the absence of food and regular employment. The region is rich in cement stone, several types of limestones and marbles etc. Licences may be issued to the local people for exploration of minerals and they may be provided loan and subsidy facilities also so that they may become self-reliant. I am slightly deviating from the main issue and would like to say something about the labour class. The limit of Income Tax should be raised from the present limit of Rs. 22,000. Price of petrol has been hiked. Workers and small farmers use motorcycles for selling milk and vegetables. Hike in petrol and non-raising of income tax limit have been a cause of double suffering to them. No worker in the country at present draws less than Rs. 2,000. Any increase in income goes towards income tax and the running expenses of motorcycle has also gone up so their problems have increased tremendously. I urge upon the Govt. that the limit of income tax should be raised at least to Rs. 35,000 so that the workers and other sections may feel relief. We spend Rs. 12 to Rs. 18 on ice cream in Connaught Place in Delhi but the people working in factories and on farms earn Rs. 10 to Rs. 12 only in a whole day. I got an opportunity to talk to workers of cotton mills. In Rajasthan minimum wage fixed is Rs. 22 and I tried my level best to get them paid this minimum wages. But despite my persistent efforts they were not paid and the factories owners could agree only to pay Rs. 14 otherwise they would close the factories. With great difficulty they agreed to only for Rs. 18, but in practice they pay only Rs. 10/-. Though our agreement for the payment of Rs. 18 was also not correct, as the minimum wage is Rs. 22, yet they pay only Rs. 10/- to the workers and the workers accept Rs. 10 and sign for Rs. 18. Just see the fun, on one side the workers receive Rs. 10 instead of Rs. 18/- for their livelihood and on the other the people are spending Rs. 32 on just taking ice cream. The House must think about the plight of people of our country about whom nothing is done by us.

All of us, whether in the opposition or

in Congress (I) have launched several movements. Every party exploits them, sometimes in the name of Ram and sometimes on other counts. When votes are cast in favour of one, others get annoyed and refuse to listen to their grievances for not casting votes in their favour. I am highlighting this because if everybody refuses to listen to him then where will he go. Therefore, approach of both the ruling and the opposition parties should change towards this class. It is the right of voter to cast his vote in favour of any party. However, such feelings are prevailing in our country. I am saying this because the Rajasthan Government is doing. . . .

MR. CHAIRMAN: Time allotted to you is over, please conclude.

SHRI BHERU LAL MEENA: Panchayats have been dissolved and fresh elections were not conducted. Now panchayats are being reconstituted.

A village of one panchayat is transferred to another panchayat so as to settle political scores. I am telling you the way we are being exploited. What will be the state of those poor people living in the country where such political vendetta exists. The Secretaries of the Panchayat Samities and Patwaris are being transferred. This is on account of political rivalry. As such I would like to know what we wish to do ultimately. Elections are held in a democratic way but poor are harassed. Foodgrains are not produced in tribal areas and they are landless. As such I would urge the Minister of Industries to pay attention to Rajasthan and set up small scale and cottage industries in that state, particularly in the tribal areas. These people are skilled in marble work but on account of their poor economic condition they are unable to operate the marble mines. They are skilled workmen and if financial assistance is extended to them they can work and run the marble industries with ease.

In the end, I support these demands and thank you for having given me time to express my views.

[English]

SHRI MUKUL BALKRISHNA WASNIK (Buldana): Mr. Chairman, Sir, I rise to support the Demands for Grants of the Ministry of Industry. Yesterday the biggest efforts of Perestroika and Glasnost ultimately prevailed over the forces which wanted to hold the Soviet Union to its past. India today is also embarking on a massive change to re-structure our system, from our experiences of the past we have learnt today that there is a need to bring in certain corrective measures. The welcome sign of these measures is that with all these changes coming in, the basic objective of the industrial policy of 1948 still remains in tact with certain changes in the methods to achieve the goals.

The new Government has initiated several changes in its licensing policy, foreign investment policy, foreign technology, the public sector policy and the MRTP Act. For the last two days we have been discussing the demands of this Ministry and several hon. Members have submitted their views basically on the industrial policy. Those opposing have tried to oppose the policy in its totality and there were certain Members who while supporting the policy supported its totality. I do not agree with the criticism which was being made that the Congress Government today has left the Nehruvian line of industrial policy. Way back when Pandit Nehru brought in his industrial policy, there was criticism that the wishes of Mahatma Gandhi had been ignored and Pandit Nehru had brought in totally different principles and philosophy. When Indiraji brought in certain changes, similar criticism was there. It was said that she had left what Nehruji had given to the nation. When Rajivji brought in a new policy, similar statements were made. And today, when this new Government under Narasimha Rao Ji has brought in this policy, again similar statements are being made that the Congress has left the Nehruvian line of thinking. The fact is that there has been a continuous and gradual change to amend the policy according to the needs of the nation.

Certain Members have stated to inter-

pret that we have ignored the principles laid down in the Preamble of the Constitution. It is not a fact. The Preamble has specifically mentioned that India is a Sovereign Socialist Secular Democratic Republic and will secure to all its citizens, among other things, social and economic justice. Further, in the Directive Principles of State Policy, article 39 clearly states that the State shall, in particular, direct its policy towards securing that the ownership and control of the material resources of the community are so distributed as best to subserve the common good; that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment. The Members, while quoting these very articles of the Constitution, said that we have ignored these principles. But, Sir, the industrial policy laid before the House on 24th July has clearly stated that the Government's policies and procedures must be geared up to assist entrepreneurs in their efforts. This can be done only if the role played by the Government were to be changed from that of only exercising control to one of providing help and guidance by making essential procedures fully transparent and by eliminating laws.

I believe that the best governance is less governance. The more we are going to have controls, the more problems and more hurdles will be there. The licencing policy has been changed. There has been criticism about that. But with the licencing policy as it was, we know what type of problems were there.

I would like to talk about the other measures which have been initiated by the Government specifically talk about the foreign investment and the need to encourage the foreign technology in the country. In the past we have made certain efforts to encourage foreign investment and technology. But the experience has not been very good. Therefore, with an increased participation of foreign investment, which is going to rise from 40 per cent to 51 per

cent and more—it can go upto 100 per cent also—in such circumstances, I would like to caution the Government.

The R.B.I. Report which has given the performance of 100 select companies which entered into foreign collaboration has concluded that the expectations which were there to earn foreign exchange could not be realised ultimately. I would not like to go into the detailed figures of the various companies, but the experience had not been very good. I support the encouragement for foreign investment and technology. But at the same time I would like to say that when we are going to get the foreign investors into the Indian industry, precaution will have to be taken that the products which will be manufactured by these multinational corporations are not going to compete with the same type of products manufactured by the Indian industry. There will be certain products manufactured by the Indian industry which will have to compete with the foreign multi-nationals. But if we are going to allow multi-national corporations to enter various items then there are definite chances that the products being manufactured by the small scale industries will also be manufactured by the multi-national corporations and in that type of a situation, the competition which we want so much, that competition will not be there. That will not be a competition between equals; that competition will be between the developed and the under-developed; between the privileged and the under-privileged and that will not be a justified competition.

In such circumstances, it is very essential that if we want that the Indian industry should compete with the multinational corporations, you will have to give more facilities and concessions so that the Indian industry uplift at the same level where it can compete on an equal footing with the multi-national corporations and unless and until we are not going to do that, any competition resulting from this will be an unequal competition and an unjustified

competition and in such a competition, the infant industry growing on the Indian soil will be throttled and I do not think that is the wish of the Government.

Keeping these things in view, I would like to request the Government that when the multi-national corporations are allowed in the Indian industry, those corporations will have to give an undertaking that primarily the products manufactured here will be for exports whereby we will earn the foreign exchange of which we are in dire need today.

SHRI SUDARSHAN RAYCHAUDHARY (Serampore): If they do not give the undertaking, what will be the policy?

MR. CHAIRMAN (SHRI SHARAD DIGHE): Don't disturb him.

SHRI MUKUL BALKRISHNA WASNIK: You speak when you are to speak.

MR. CHAIRMAN: Continue your speech.

SHRI MUKUL BALKRISHNA WASNIK: Sir, I think that unless and until we decide upon such norms, the experience which we had with the Pepsico, such type of things could happen where norms will not be followed, where export commitments will not be fulfilled and where these multinational corporations instead of being an industry here, convert themselves into trade houses. This type of thing will have to be avoided at any cost.

Sir, there has been criticism that the Government has changed its policy towards the public sector. Our Government have come forward with this line of thinking that the public sector will have to continue to play the role which it had been playing in the past. But where there were mistakes, where there was inefficiency, where there were shortcomings, those shortcomings will have to be removed. We cannot afford to have an inefficient organisation at least. If there are inefficient sick units in the public sector, we do not want that such sick industry should be encouraged to continue. Similarly, we do not want that the manner in which the sick industry from the private sector was taken over by the Government and forced to be adopted by the public sector. That type of things

should not happen and therefore, Sir, if we want to progress, and march forward, if we want to move fast, then we will have to have efficiency unless and until we have efficiency in our functioning, nothing will succeed.

Sir, the policy placed before the House has certain suggestions which, I think, will lead the nation towards faster growth in industry. But, Sir, the implementation of this policy will naturally depend upon what type of infrastructure are we going to provide, what type of investment and human resource development will be there for the industry. Sir, the budget provisions for the infrastructural development in the country, I don't think are sufficient enough to develop a strong infrastructure.

Sir, there is only 2.5 per cent increase over last year in the Budget provisions for coal, 5.5 per cent for power, 9 per cent for telephones, 1.6 per cent for transport and 6.5 per cent for railway. With such meagre provision, I don't think that we will have a sufficiently strong infrastructure to boost industry and the objectives we have laid down in the Industrial Policy, I don't think that with an insufficient infrastructure we are going to achieve the objective.

Sir, there had been several problems about the flow of credit to the industry also. I do not want to go into the details, but the Government will have to ensure that there should be smooth flow of credit to the small scale industries and various other industries. De-licensing is okay, liberalisation and, various facilities are welcome measures but till the time we are not going to ensure a smooth credit flow, I do not think that any project will be a successful project. (*Interruptions*).

Sir, you have been ringing the bell quite often and frequently. So, I am worried whether I will be able to complete.

I will just make one or two points. I come from a backward area.

AN HON. MEMBER: Not from a backward State.

SHRI MUKUL BALKRISHNA WASNIK: A forward State, but from a backward

area. I come from Vidarbha.

Sir, With the liberalisation and the changes in the licensing policy, I think, the industry will get a boost. But at the same time, the Government shall have to think about measures whereby the industrial development of backward areas is ensured. The Economic Survey has given figures about the letters of intent issued from 1988-89 to 1990-91. In 1988-89, 1255 letters of intent were issued, for the backward areas the number was 610; in 1989-90, the total number of letters issued was 1,155, for backward areas it was 550 and for 1990-91 letters issued were 931, for backward areas it was 399. We should find out the reasons for social tensions in the bordering areas. What is the reason for the naxalite problems in Andhra Pradesh, Orissa and Madhya Pradesh? What is the reason for secessionist activities in certain border areas of the country? Why is there a hue and cry in the North Eastern part of the country? Why is there so much of tension in the backward areas of the country? We will have to think about the root cause of these social tensions and, I think, one of the primary reasons for these type of activities is the lack of industrial development in those areas. Therefore, the Government will have to prepare a specific plan and a package for industrial development in those areas. At the same time, we would like to have a shift of agricultural community to a certain extent from the farm to the industry. Today, the burden on land is becoming unbearable. The net return on investment in agriculture is going down day by day and in such circumstances if we encourage agro-based industries in rural areas, I think, it will help in shifting the agricultural community towards industry. At the same time, it will help in employment generation also.

I would further like to say that there is rampant corruption at various levels of administration, national level, state level, district level, block level etc. Unless and until we are going to have stringent measures to check corruption at these levels, I think, we will fail to achieve our

genuine objectives.

Sir, keeping in view the growing unemployment problem, if we do not have authority at the national level which will plan basically for employment generation and work out the figures of employment opportunities as part of long term planning, I do not think we will be able to move towards our goal of providing gainful employment satisfactorily. I, therefore, think that there should be a central authority. We can name it as National Commission for Manpower Planning. While planning, we have to keep in mind the agricultural development, the industrial development and the scientific and technical development and we should also keep in view as to what number of engineers, we require, what number of doctors we require, what number of technicians we require and work out figures for the next 10 or 15 years; only by such long term planning will help in working out positive figures. Yesterday, Mr. Chatterjee was pointing out from a reply from the Government that yearly the Government would generate 10 million jobs.

Such figures do not give any confidence. Unless and until we concretise, unless and until we give specific numbers, we will not get any confidence from such replies. We may get satisfied that we have got a good reply. But we will not be happy because it will not be a reply which will see the light of the day.

The report of the Committee on Public Undertakings which has been placed before the House has suggested the formation of All India Management Service for top posts as well as converting the Public Enterprises Selection Board into a statutory independent Authority capable of going into the service and the disciplinary matters and to advise the Government. I think that the suggestion made is good and the Government should apply its mind to the report of the Committee on Public Undertakings.

Sir, I thank you very much for giving me this opportunity and again I would like to repeat that yesterday the biggest effort of Glasnost and Perestroika has succeeded and ultimately the will of the people has prevailed. The reforms were accepted. The opening of the economy

was accepted. Democracy had triumphed and those who wanted to throttle, those who wanted to create hurdles and those who wanted to hold the Soviet Union to its past were defeated.

I would like to ask the hon. Minister of State for Industries Shri P. J. Kurien to convey to the hon. Prime Minister Shri P. V. Narasimha Rao that he has taken a bold and risky initiative. With bold initiatives, risk is involved but without risk there cannot be speedy developmental processes and, therefore, the country will stand with this Government and with its leader. The Govt. should continue to take strong bold and hard decisions to take this country out from the situation where it has landed today.

SHRI BOLLA BULLI RAMAIAH (Eluru): Mr. Chairman, Sir, The industrial policy which was formulated in 1956 had to be changed a number of times. Finally, we have now evolved the correct policy of liberalisation. From early times, we have continued to be one of the first ten industrial countries. But now its position has stripped down to as low as 20th. This new policy which the Government of India has formulated is only one part of it but it requires a lot of coordination with the States and the Centre. There are lot of problems which require to be solved if the industry is to develop. There are the requirements of land, water, power and many other things. Those formalities take some time to be completed, to help the industrial growth in this country.

When you want to liberalise the industrial policy, the most important thing as my friend says is to be very cautious about the infrastructure in this country.

Are we in a position to compete internationally with the large-scale and highly economic type of industries.

We are not able to compete internationally because our power system is poor and our system of airlines and telecommunication and railways is inefficient. In the banking sector, we are faced with high interest rates and we do not have proper expertise.

The industrially developed countries always have the expertise in the banking

system itself. To guide the industries there, the banks with advance finance and also monitor whenever they face any problems.

That is the reason why they control, operate and give them all the guidance whenever and wherever it is required. But they are not operating at the primitive advance rates and deposit rates. This is very essential if any country requires industrial development.

Sir, I would like to tell you about the industrial sickness. We are facing it quite often. But it is not out of place to mention that the advanced countries also have got the industrial sickness. But, as I mentioned earlier, the banks and the financial institutions will always step in at an early stage before it becomes sick and they form amalgamations and collaborations which are required for the survival and improvement as well as improving their efficiency.

The other point is that the multinational companies are now going to enter this country. The most important aspect is that the highly polluted and effluent industries should not be brought in without proper precautions. The multinational companies do not use their land for setting up such industries. They like to shift such industries somewhere else where the opportunities are there. Unless we take proper precautions and see that these things are properly taken care of, we will have to face serious consequences.

Please look at the steel industry. We are exporting a lot of iron-ore and getting very little foreign exchange. Instead of doing that, it is better we produce more quantity of steel. Even if necessary, we can produce cheapest quality steel with the technology from Korea or Japan. It will give us more employment to our countrymen. By that way, we can also develop new technology. Regarding export part of it, we will earn much more than what we are earning today by exporting our iron-ore. This is one part of that industry. Wherever we have got scope for export of raw-materials, we should be cautious of such aspects. I feel that we should produce value-added pro-

ducts. That requires industrial development. Simultaneously, it will give more employment opportunities to our people.

Look at the paper industry. We are facing acute shortage of paper though the country has got the potential to develop cellulose. We are importing paper, pulp and waste paper. The reason why we are not able to develop it is because we have not developed enough amount of forest which plays an important role. Its development requires the coordination between the industry and the Forest Department. If you say that we have to develop trees by planting as in the case of other countries—fast-growing variety trees, probably there is no link between industry and the Forest Department. These are the things to be coordinated properly before we develop that industry.

The plastic industry requires a lot of imported raw-material.

We are spending a lot of foreign exchange on importing such raw-materials. In future, plastic is going to replace a lot of wood, paper, glass and metals. It will be the cheapest thing available for the common men. Unless we develop the plastic industry quickly we will be really facing the consequences in all other spheres.

Look at the engineering industry. It is suffering a lot because of high cost of steel. Today, our steel is one of the very expensive steel in the world. As I said earlier, we can produce the cheapest quality steel with our iron-ore which is available in this country. Because of the high cost involved in production, there is sickness in this industry and it is not really able to solve the problems. As I said earlier, we need good expertise and early remedies for the industrial sickness. It is urgently required in order to save this country from the large-scale industrial sickness.

Next is manpower. We have got the largest manpower. In fact, we rank the third position in the world in this regard. But we also need proper training for these people in order to utilise their services in a more scientific way for the industrial development etc. The most

important thing which we have to consider today is utilisation of non-conventional sources of energy. As we proceed further, we find that not only in this country but all over the world, the energy source is slowly getting depleted and the requirements are increasing. Of course, the population growth of this country is to be curtailed. If you have to develop non-conventional sources of energy like the geo-thermal energy, tidal energy, solar energy, gas-based energy etc. Some sort of research and development is required. If it is not made, ultimately you will face serious consequences.

Sir, we have got tremendous amount of scope in this country for developing the pharmaceutical industry and the technology is available. A lot of export-oriented activity has already been picking up. If the Government takes adequate initiatives, we can do a lot more. Regarding export, we have not developed fully well. If you give more importance to the export zone, if you give priority to it, our foreign exchange earning will increase substantially.

The agro-based industry is one of the most important industries in our country. It simultaneously gives more scope for development of industries. We can do fruit-canning, egg-processing and various other processing works in order to develop inputs and outputs.

We started the khadi and village industries in right earnest. But unfortunately, we have not given enough support to it and, with the result, they have not developed to our anticipation. It is mostly a labour-oriented industry. And the cottage industries are mostly rural-oriented which will give tremendous opportunities for our rural areas to develop.

Coming to Andhra Pradesh, I would like to mention about a few industries. The colour picture tube plant is supposed to come at Kondapalli in collaboration with Phillips. Somehow, it was delayed and it dragged on for a long time. It needs a quick action on the part of the Government of India to see that it gets a clearance.

Similarly, the tyre industry at Mangalagiri was given a Letter of Intent long time back. But it has also still not materialised.

Naphtha cracker plant at Vizag is a very important one and it is one of the items required for the development of the plastic industry. With the down-stream product, we will develop tremendous amount of scope and opportunity for large scale and small scale sector.

In spite of the fact that bauxite is available in plenty, the alumina factory at Vizag was not contemplated earlier. The reason for this is obviously not known. It was delayed. The Government should give top priority for that.

As I said earlier, fruit canning and juice preservation industry, fish processing and poultry processing industries are based on agriculture. These have got very good scope in Andhra Pradesh. Along with that, we can have the natural gas through the Godavari-Krishna basin and thus they can produce lot of fertilizers. Gas-based industries and the power generation are the very important items which we can develop in Andhra Pradesh.

The Vizag Steel Plant had been dragging on for the last 15 to 20 years. We know it requires immediate provision in order to have the full capacity utilisation so that we can get reasonable economic cost. Otherwise, the administrative cost is going up daily. Ultimately, we do not know what will be the price of steel when it comes out—whether it will be used by the Indian engineering industries which are capable of doing that and what will be the consequences of that.

I thank you very much for giving me the opportunity to speak.

[Translation]

SHRI HARADHAN ROY (Asansol): Mr. Chairman Sir, I would like to speak in Bengali. Since it is my maiden speech, I require some time. Sir, I oppose the industrial policy declared by the Government. Two honourable members from our party, Shri Ajoy Mukherjee and Shri

Basudev Acharya have already spoken on the industrial policy. I do not want to repeat what they have already said. I just cannot think what is going to happen. We have a proverb in Bengali—A burn child dreads the fire. I have come from an industrial belt, Asansol. Unfortunately all the public sector industries have become sick there and it seems that they are in their last gasp. It is very difficult to say what will be the fate of these industries. I would speak about them one by one. Before that I would like to say what will be the outcome of this new industrial policy. We have taken or have been taking loan from the World Bank. I presume we have been dictated by all their terms and conditions. We device our industrial policy or Agricultural policy, or economic policy. But all our policies are actually devised in Washington and then they are branded as ours. This is the condition now. I am really scared because I feel that this will definitely endanger the independence and integrity of our country. I am alarmed as I do not know what would happen. I will first speak about the industries in my area and then I would talk about other industries of other States. In Bhari Udyog Nigam in our area we have four Refractory and ceramic units of Burn Standard under Bharat Bhari Udyog Nigam. There are 8 engineering units alongwith 8 Refractory Units under Bharat Bhari Udyog Nigam. Of these 8 units, 4 are in West Bengal, one is in Bihar, Two in Madhya Pradesh and one in Tamil Nadu. These industries were taken over by the Government in 1974 and were nationalized in 1976. During that time the then Industry Minister said that these industries have become sick because of the inefficiency and worthlessness of the owners, their inability for investment, corruption etc. Prior to nationalization it was said that since these industries have important role for the economy of the country, particularly, all the Refractory Factories—the Ceramic Refractories—4 are in West Bengal two in Madhya Pradesh, one is in Bihar, one in Tamil Nadu should be taken over by the Government. Moreover these industries

Translation of the speech originally delivered in Bengali.

are important for steel also. Huge capital is needed to run these factories smoothly. The owners are unable to invest the vast amount. So they are to be taken over. We also have been pressurizing for the nationalization of these industries. Due to our pressure these industries were nationalized. But it is a matter of regret that these industries were taken over in 1974 and nationalized in 1976. Since then projects reports have been devised 10 times. Some project reports have been prepared by the Central Govt. and some have been prepared by the Company. We the members from West Bengal, the State Govt. have been pressurizing for more investment, for modernization for expansion of these industries. Since technology in glass, in steel, in Aluminium have been changing, these industries should make products suitable for the time. Machinery have been imported from outside. The Refractories should be moulded in consistency to the machinery. So capital must be invested. We, that is, our Chief Minister, our labour Minister, the M.L.As and M.Ps from West Bengal have been appealing, writing again and again right from the Prime Minister to the Industry Minister. But it is matter of regret that nothing was achieved. There was no investment and even today there is no investment of even a paisa. Moreover there has been an endeavour to close or to denotify the industries in West Bengal. But these industries were taken over or nationalized not to be closed down or denotified. The purpose for nationalization was for expansion, modernization, more facilities to the workers. The then industry Minister, Mr.T.A. Pai said at that time that the closure of the industry means the workers lose their jobs. They become jobless and they are the one to become most victimized. So these industries were taken over with an idea that the workers could continue in their job. But where is that promise, that commitment. What do we find in all the project reports. In 1974 there was the three-men Committee. In the Committee of 1981 it was proposed to invest Rs. 15 lakhs and Rs. 20 lakhs in the two industries of sophisticated in Raniganj No. 2 works

bricks and Lal Kuthi Silica works so that these could be viable. But the fund was not granted. In 1982 there was a report in which it was said that in Silica industry Rs. one crore thirty eight lakhs and for Durgapur Refractory industry 61 lakhs are needed. For Lal Kuthi Silica industry, the project report was implemented to some extent. But it was surprising that in this age of technology machinery, the plants needed for modernization half of them had not been provided. These are essential for steel and for the production befitting the time. But these were denied. Now they allege that even after investment, the industry could not be viable. But they never disclosed that these essential things were denied. Of course this has been brought to the notice of the Prime Minister, the Industry Minister, the Labour Minister, many times. I had been an MLA at that time. I had been visiting Delhi since 10 years. But all my efforts to get these essential machinery, plants bore no fruit. There is nobody to listen to our complaints.

Secondly in 1984 for No. 2 Sophisticated Bricks Industry Macon Co. was approached and they said that by investing Rs. 4 crores, the industry could be viable. Two lakhs were spent for report. But the investment for Rs. 4 crore was not granted. God only knows what happened to the report and the proposal.

What I want to say is this, that we had been pressurizing for these industries. And the centre with a view to close these industries appointed the consultant, Dr. S.S. Ghosh—very renowned person in great haste. There was no data, no report and Dr. Ghosh was asked to give his opinion if these industries could be made profitable. Dr. Ghosh was instructed to check these industries as they were then in that very condition. So naturally he suggested that under the existing circumstances the industries should not be viable. Our party member, Shri Amal Datta met Dr. Ghosh to have his opinion for these industries to be made viable. He prepared a project report suggesting investment of Rs. 4 crores to make these industries viable. But that project report did not see the

day of light. We do not know where it disappeared.

It has been seen that by new investment, the industry can have profit. For Salem Work industry 18 crores were invested and there is a profit of Rs. 5 to 6 crores annually. Crores of Rupees have been invested for Engineering industry. But they are running at a loss. If we judge the Refractory Factories as a whole, we will find they are not running at loss. The Chairman of Bharat Bhari Udyog Nigam has been trying to close down these factories and he did not try to find any solution for these industries. The project reports have been prepared by us, by the experts. The Company made an in and out house study in 1985. There was a committee also to find out ways and means for these industries. They made a project report accordingly and that was not sent to the Board. The Chairman kept the Board of Bharat Bhari Udyog Nigam and Burn Company in the dark and in collusion with MECON asked them to prepare a report. That this report was conspiratory could be found out by any one expert.

16.00 hrs.

[Shri Ram Naik *in the chair*]

This report said that crores of rupees have to be invested to make these industries viable but there would be only 1/3rd labourers.

Sir, this is not the end of the story. There were the captive industries of ISSCO during the time of Martin Burn. And since these were the captive industries of Steel, the ISSCO used to take their production. After nationalization ISSCO was placed under the Ministry of steel and these factories after nationalization were placed under the Ministry of industry. So they lost the status of captive. But after much later three closed factories of Bihar, Assam Silimanite Bharat Refractories Ltd. and IFICO were taken over and have been made captive of with Bokaro Steel. But these factories of Burn Standard were made decaptive from captive status. In West Bengal the three giant steel factories, Allied Steel, Durgapur Steel and ISSCO do not have any captive plant. And without investing any-

thing, these factories have been instructed to compete in the market. But how it is possible. The purpose of nationalization failed. We have been sending representation, meeting the Ministers. I have met the present Industry Minister, Shri Kurien and Shri Thungan also. I had met the other Industry Ministers in the past also. But nothing has happened.

Now if I disclose to you, you will be surprised to know that in 73rd Board meeting the Directors of Burn Standard said that as they were not aware of any report they would not make any comment. For Durgapur Refractory Works the report recommended to sanction Rs.61 lakhs. But it was spent somewhere else. But in the 7th Annual report it was written that the modernisation Programme is progressing is running satisfactorily according to the report. They claim in the report that the work for modernization for expansion are progressing in a satisfactory manner. Now what reaction do you expect for this kind of bogus claim?

It is nothing but sheer loot. Where did the money disappear. I have been asking them to go through the 7th Annual and 8th Annual report and find out whether modernization of Durgapur Factory has been progressing. Then the Ministry of Steel, the Ministry of Industry and Ministry of Labour asked Macon BRL to Prepare some plans so that these industries can be saved for their existence. They suggested some product mix. But even these were not implemented.

Sir, there is no refractory expert in the Board of Burn standard. The then Minister Narayan Dutt Tewari said that the Board will be strengthened. A full time Director will be appointed. But a part time Director was appointed. And the present Chairman has abolished the post of Director and getting the work done by his own people. There is not a single Refractory expert. This I want to emphasise. I want to say how these factories can be saved. I must also mention Hindustan Piliatron Glass Factory facing closure for more than 6 years. In the Business standard of Yesterday I have seen that 50 to 60 factories will be disinvested. I

have become apprehensive. I quote from Scope Moots Exit Policy for sick PSUs. "According to him, about 50-60 PSUs have already been identified for disinvestment but refused to disclose their names." This is alarming. We do not know what would happen. (The Bell). Sir, I must be given time. I want to say Sir, that I met the Chief Minister with the report of Macon and talked to the Chief Secretary and Dr. Ghosh who is an expert on Refractory ceramic and who had been the Chairman of DGTG for two terms and who has invented many things, had worked in various capacities gave a report to the Chief Secretary that by spending only Rs. 8 crore three factories can be made viable:

1. Raniganj No. 2.
2. Lal Kuthi Silica, and
3. Durgapur Refractory

[English]

MR. CHAIRMAN: You have to finish in two minutes.

[Translation]

*SHRI HARADHAN ROY: No, I cannot finish in two minutes because this is my maiden speech. I am talking about Report for Fajal Committee where it was suggested that these factories should have a separate board. These factories as a whole are not running at a loss. They could be made run separately. Why there are attached with the Engineering factories? These factories can be brought under Steel Ministry. We suggest that since it was captive under steel, it can be captive under steel. All the Ministers of Industry like Shri N.D. Tiwari, Shri George Fernandes and Shri Ajit Singh, all suggested to shift these industries under steel. But they said they did not have funds so they could not take over these factories. What I am saying is based on the report of Govt. only. Why these factories should not have a separate board. These should not be closed. There should be investment in these factories. These should be the captive source of ISSCO. Besides Durgapur Glass Factory, Alluminium Factory can

also supply requirements after modernization I oppose that these factories should not be closed or denationalized.

Now I would like to talk about the workers labourers. Sir can anybody imagine that an unskilled labourer working in these factories of an unskilled worker. Indian Government get only Rs. 330.58 paise. The basic pay is Rs. 197 and Rs. 106.58 paise fixed D.A. Just think of it. A clerical staff is getting Rs. 344.58 paise. Their basic salary is Rs. 227/-. Their wages have not been revised since for the last 13 Years. Even the Hon'ble Calcutta High Court order for payment of interim relief has been ignored.

Those who work under the contractor get only Rs. 7.50 paise. All the industries of Bharat Bahri Udyog Nigam Ltd. are running at a loss. I am not naming all because you are asking me to wind up. I name only Breith Wait & Co. and Bharat Wagon Burn Standard etc. I feel the Chairman of Bharat Bahri Udyog Nigam Ltd. should be conferred Bharat Ratna. These factories will have to be closed due to the negligence of these worthless people. There was an agreement for modernization of Bharat Alluminium Co. in 1989. That factory remained closed since 6 years. It was taken over and nationalized during the time of Janata. It was said at that time that the factory would be opened fully. But just the fabrication Deptt. has been opened. The metal Cell House, the Alluminium House and, Plastic Plant were not opened. There was a Power House which also was not opened. According to the agreement of 1989, Rs. 9 crores 70 lakhs were earmarked for the modernization and of extrusion plant and its expansion. There was an agreement but that agreement was not made effective. This is the condition. Now I am talking about IISCO. There was an agreement on 13th July, 1989 for modernization. But there was retrenchment. Many workers had to go. But we are in the same condition. Four Prime Ministers have come and gone but nothing has been done so far. We do not know, if Modernization programme would

* Translation of the speech originally delivered in Bengali.

be taken for IISCO I met Shri Santosh Mohan Deb some days back. He said that they will take some decisions. But by the time they take measures. These people also will perhaps go; But there would not be any modernization for IISCO. (Interruptions)....

[English]

MR. CHAIRMAN: Yoy must wind up. You have already taken your time.

[Translation]

*SHRI HARADHAN ROY: No, I am concluding Sir. The Bangal Paper Mill factory was closed for 6 to 7 years. It was not taken over by the Government in Delhi in spite of pressure by the State Government, the MLA's the MPs & Trade Unions. The State Govt. could not take over for financial strains. One individual entrepreneur came forward to take the responsibility of running it. But, Punjab National Bank has filed a suit against the owner in the Supreme Court to get the money back while Crores of Rupees have been lying with other closed industries. Instead of getting back that amount the Bank wants to get back their money from this factory which has started functioning. there has been a deliberated attempt to close the factory in connivance with the big monopoly. It is really a pitiable situation more than two thousand five hundred factories have been closed. 270 big industries have faced closure. who is responsible for this? Thousands of people can be employed in these factories. Why these factories and industries have not been put to function? We have been appealing again and again to Central Government. But nothing was done.

[English]

MR. CHAIRMAN: Kindly conclude. You have already taken 20 minutes.

[Translation]

*SHRI HARADHAN ROY: I am concluding. We do not know where the policy of the Government would lead us?

Sir we have big collieries in our area. Big machineries have been imported from foreign country for these collieries

only 30% of their capacity is being utilised. Shri Basudev Acharya has mentioned the other day about MAMC set up to make machinery for Coal industry. But instead of making machinery in MAMC we are importing it from foreign country. This is the question of commission. Everything is possible if you have commission. (Interruptions..)

[English]

MR. CHAIRMAN: Kindly discontinue now.

[Translation]

*SHRI HARADHAN ROY: We have coal,, we have steel, we have iron, aluminium, glass, rail. We can have ancilliary factories. Lakhs of people will find employment. We can have coal base industry and thus provide employment to many people. You are facing land problems for opening of new mines. This can be solved, if seriously you implement the Sonapur Bajari Package and provide job and full rehabilitation for evicted people.

We have been sold to the foreign country. Our country has been mortgaged to the foreign power. But the people, the mass are not going to stand this any longer. They will definitely revolt. That day is not very far off. With these words I conclude my speech and thank you.

[English]

SHRI HARISH NARAYAN PRABHU ZANTYE (Panaji): Sir, I rise to support the Demands for Grants under the control of the Ministry of Industry.

I rise to support and commend the new Economic Policy of deregulation and liberalisation. If India has to prosper, then India has to compete with the world market. If we have to compete with the world, then our product must be competitive both in price as well as in quality. That means, we must have upto-date knowledge of the latest efficient technology, efficient managerial supervision and a proper check on the cost of production. Besides, labour productivity has also to be improved. Let us study the example of Japan and South Korea. They import iron

*Translation of the speech originally delivered in Bengali.

ore from Goa and coal from some other countries and sell steel at much cheaper prices than our own steel mills supply. Why is this so? As compared with the foreign countries, India's labour is much cheaper. The reason for their bright successful achievement in all fields of life is only hard work, sincerity, discipline, sacrifice and love. Not only that, in Japan and South Korea, these great qualities are injected right from their childhood and continued to be nourished further.

The economy of our country has become very critical. The unemployment problem is increasing day by day which is very alarming. If we do not take very strong, well studied decisions and implement them at any cost, then the situation may go out of control and democracy may be put to danger. What steps does the Government intend to take in such a difficult situation? Education which is now imparted does not give the quality of education to the poor children nor produce experts in different technical fields in big numbers except for a few bright students. So, the time has come when we all have to sit together and think and study deeply to find out a solution which may be harsh but definitely yield very fruitful results.

I am now going to give some humble suggestions which may be given due consideration.

Government should create infrastructural and other facilities which are attractive, adequate and advantageous for new small scale industries that are coming up.

Government should encourage small scale industries by giving them full technical as well as marketing facilities. They should also assist them whenever these units are in difficulties.

Nationalised banks and financial institutions must jointly think of helping small entrepreneurs by giving them finance. Entrepreneurs should also be given technical guidance for manufacturing and marketing.

After due study of modern technology in different fields in the progressive and developed countries, Government should pass on the appropriate technical know-

how to our young entrepreneurs so that they can with stand competitive markets at home and abroad.

We keep on hearing about strikes, *dharnas* and lock-outs every now and then. This causes great damage to our industrial production and activity. Government should work out a formula whereby the industry gets cooperation from the labour force and runs smoothly and profitably. The labour must also get some share in profits. At the same time responsibility and accountability should also be fixed on them.

Because of certain prevailing rules, it becomes very difficult to get land in Planning Zones at cheaper rates. It also takes lot of time. I suggest that land should be made available easily at cheaper rates for industry.

Lot of concessions should be given in rural and backward areas in order to attract young entrepreneurs to villages. This will solve unemployment problem to great extent. We all know that the intensity of poverty and misery is felt much more in villages than in cities.

Sir, Goa is a paradise for industrial investment. Government of Goa has come out with a package of incentives which is, at present, the most liberal in the country. The State Government will heartily welcome all non-polluting labour intensive industries. We have got all the infrastructural facilities and disciplined, educated and skilled labour force. Goan society is very warm and hospitable and on its behalf, I extend a hearty welcome to all potential investors in Goa.

[Translation].

SHRI RATILAL VARMA (Dhanduka):
Mr. Chairman, Sir, the Members of our ruling party are commending the New Industrial Policy. It is very doubtful as to whether the economic condition of the country will improve with the adoption of new Industrial Policy as has happened in the past. Late Shri Deen Dayal Upadhyay had demanded work for each and everyone and water for every field. But even after 44 years of independence we could not achieve this target. Consequently, the major industries had been receiving and have been receiving assist-

ance with the result they are prospering. The outcome of it is that the rich and well off people are getting richer day by day. Bata has snatched the occupation of the cobblers who, were manufacturing shoes in the country. Similarly Tata has grabbed the vocation of blacksmiths and small artisans. As such I would like to say that Bata and Tata have become the biggest cobbler and blacksmith respectively. Consequently the small scale industries, which were the source of earning a livelihood for the villagers, have been captured by Tata & Birla with the result the people are rushing towards cities in search of a living.

Mr. Chairman, Sir, we are trying to attract the Non-Resident Indians in the hope that it would be beneficial to the country. But my observation is that the only black money of our country deposited in the foreign banks will come to India through these N.I.Rs. and will be converted into white money. Such is the arrangement made by this Government. This is my observation. Among them there will be some people who would be interested to send their money earned by honest means to this country. But my view is that most of them would take undue advantage. If at all NRIs are interested to invest in India, they should invest their capital in villages so that villagers could be benefited. Big industries are swallowing small scale industries. Therefore, incentives should be given to small scale industries so that they could be saved from extinction. The failure to do so result in their collapse and the skilled people are in deep distress.

Mr. Chairman, Sir, I would like to quote the example of Japan. That country was on the verge of destruction when bomb was dropped at Hiroshima and Nagasaki but the country progressed by leaps and bounds by encouraging small scale industries. Today Japan falls in the category of developed countries. The economic condition of Japan is so sound that it has over taken U.S.A The Japan made clocks, T.V. and calculators are world renowned. Even our country enjoyed world fame. The sarees made produced in our country were so fine that it

could be passed through a finger ring. Stone carving and craftsmanship were world famous but we have forgotten this speciality and attention is being paid toward the major industries. The result was that the image of India before the world for these things was shadowed.

Mr. Chairman, Sir, I reiterate that the small industries should be encouraged and extended financial assistance. Assistance is given to big industries but these industries close down overnight and the property worth crores of rupees of this country is concentrated in the hands of a few people. Poor people remain the same. We have seen that these people have praised the Industrial Policy. We feel that if the Industrial Policy had been correct the gold of our country would not have been mortgaged in foreign countries and there was no need for devaluation of our rupee. It's only reason is that our Industrial Policy is not correct. With the result the economic condition of our country deteriorated more and there is a need to review it and some new concepts will have to be brought in.

Mr. Chairman, Sir, I hail from Gujarat. The Government of India has not set up any new industry there for the last 4-5 years which could provide some employment to the people there. Sometimes an industry is set up with an investment of crores of rupees, but how many people get employment? Only 50—100 people. If small industries are set up more people can get employment. Therefore small industries should be encouraged there. In Gujarat, Ahmedabad and Bhavnagar are the drought prone areas because of insufficient rains. With the result the people there become jobless. Small industries should be encouraged there and investment should be made in the field of Small Industries. Before Independence lakhs of people used to come to Surat for trade. It was a big trade centre at the time of Britishers. But now what has happened to that city? There are no trade activities these days. Such is the position. Therefore such places should be developed.

Mr. Chairman, Sir, Government is interested to set up industries and im-

plementation of new Industrial Policy is also being discussed but the policy won't be of any use at the places where the condition of the roads is not good, electricity and drinking water are not available. The Government will have to consider all these aspects and provide roads, drinking water, electricity etc. Just now it was said that the bicycle which is the medium of transport for the poor people is also out of his reach. The rates of petrol too have gone-up. In 1990, the price of a bi-cycle was between Rs. 650 to Rs. 800/- and now it costs between Rs. 1200/- to Rs. 1500/-. Previously there was no excise duty on bi-cycles but it is said that the excise duty on bicycles has been waived. The common people are being misled. Bicycle is a very essential item for a common man. It is necessary to fix the price of such an ordinary item also in the Industrial Policy so that some definite steps would be taken against the people who are earning 100 percent profit on such a item. Steps should be taken so that it does not cost more and the businessmen also don't earn undue profit. Alongwith it the price of commodities that are sold for the common people in the market should also be fixed. Subsidy and other assistance is provided to the industrialists but we never look into the profit they are earning. The percentage of their profit earnings should also be scrutinised. Thereafter a check should be imposed on it.

Similar is the case of black and white television, which is a source of entertainment for the poor, apart from a source to hear the news. The prices of T.V. sets have also gone up so high that nobody can afford to purchase it and here in the House we are talking of rendering some help to them. Lastly, I would like to tell the Minister :

"Bahut sunayi aapne apni usdyog neeti,
Kabhi nahin sochi kya garibon par beeti.
Sirf Tata aur Birla ki hi barhi hai sampatti,
Aapne kabhi nahin sochi kya garibon par biti.

Garib aur aam janta ki aapne ki hai bari durgati,
Khoob banai hai aapne apni nayi usdyog neeti."

With these words I oppose this policy with the expectations that there would be some improvement in this policy.

[English]

SHRI SUNIL DUTT (Bombay-North West) : Mr. Chairman, Sir, I rise to support the Demands for Grants of this Ministry and the Industrial Policy of my Government.

I congratulate our Prime Minister for laying such a wonderful Policy and especially loosening the strings and cutting so much red-tape thereby giving opportunities to small scale industries, public sector undertakings and big national industries.

But, Sir, I have my own reservations with multi-nationals. Multi-nationals can be a great danger to the country. I give a fore-warning to my Government that they must see to it that multi-nationals when they come to this country do not become like East India Company of The Britishers and rule our country. But today, there is a fight not of weapons but it is an economic fight. All these multi-nationals do not have any interest in our nation except our wealth. Therefore, I will prefer that our own industrialists should be given incentives. It is because I have total faith in the people of our country, whether they are workers and whether they are industrialists. You give a chance and you give a challenge to them, I am sure they will try to raise the economy of our country than giving these chances to the multi-nationals. The multi-nationals will not bother to collect or get foreign exchange. They would be interested only in their money. Therefore, my request is that, whenever we think of multi-nationals, we should be very strict in laying down our agreements with them. It is because, when they come over here and invest their moneys, they will have their upper-hand. Therefore, my request to the Government is that they should be cautious. I agree with my colleague Shri Mukul Waanik when he also raised this ques-

tion. I am very happy that very many people in our Party also have this feeling. Sir, There is only one industry that has been totally neglected and totally kept aside is the film industry. In this arena, the industry that gives jobs to ten lakh people all over India and that industry that gives Rs. 800 crores in the form of Entertainment Tax to all the States and that industry that makes the highest number of films, that is 923, has been totally neglected in this Policy of our Government.

I would like to bring to your kind notice that the film industry stands by the nation always at the time of war, at the time of drought, at the time of famine and all the natural calamities the film industry stood by the nation.

Our film industry produces 927 feature films. Last year, it produced so many films. In spite of this, it is being neglected; and the new policy has totally crippled the film industry.

In 1995, the people all over the world will be celebrating a centenary year of the world cinemas.

On 28th December, 1895, in Paris, Mr. August Lumiere and Louis demonstrated a short film "workers leaving the Lumiere Factory." And that was the beginning of the film industry; and that expanded in these 100 years all over the world and contributed to the world culture and world trade. I do not know whether in 1995 with this policy of our Government the film industry will be able to witness this great celebration of the centenary of the Cinema.

It is so frustrating to mention in this august House that the film industry that makes the largest number of films, that gives jobs to ten lakh people, that gives Rs. 800 crores to different States in the form of entertainment tax where the State does not spend even a single penny—usually, when you make money, you invest the money. You are getting multinationals over here; they will be investing money to get money—this is the one industry that does not take anything from the Government, State Government; the State Government does not invest even a single penny; even

then the film industry gives Rs. 800 crores in the form of entertainment tax to different States of our country. When this industry gives so much employment, so much money to the Government, in spite of this, this industry is so unfortunate that this Government never ever thought of this industry that where is a source of film. The source is the raw stock; the source is the negative and the positive. And in all these 42 years, after Independence, with all the governments came and gone of different political parties, they never thought that this industry gives so much employment to the people, so much money to the Government. And from where the raw stock comes. The raw stock is being imported. I am after the hon. Minister for the last one month; I think he has realised that, this industry which gives to the country so much money, employment to the people and also other cultural service, that industry was importing the raw stock. If the raw stock is not available here, the film industry can come to a standstill.

On the 30th November, 1960, the Government of India set up a plant in collaboration with a French Company called M/s BAUCHET of France. We have never heard the name of M/s BAUCHET of France which manufactured films. But they wanted to manufacture films with M/s BAUCHET of France. We have heard the name of the RAW-FILM manufacturers, we have heard the name of Fuji; we have heard the name of Orwo and Kodak all these are raw stock manufacturing companies. But they had a deal with a French Company. And a company over here was formed called "Hindustan Photo Film Manufacturing Company in Ooty. In 31 years of its existence, this Company has not manufactured one foot of positive or negative. (Interruptions) I am very realistic. He is my next door neighbour over there. So, without ringing a bell, I am given three minutes.

SHRI MUKUL BALKRISHNA WASNIK (Buldana): You will have to assure him that you will show him a film.

MR. CHAIRMAN: Without ringing a bell, you are getting three minutes.

SHRI SUNIL DUTT: I want to ask the hon. Minister whether this Hindustan Photo Film Manufacturing Company which has been existing in the last 30 years has made even one foot of film; it has not made one foot film negative or positive. How much money has been spent on the administrators and the people over there who are running this factory?

How much money has gone into the maintenance of that factory? How much foreign exchange is spent so far for the import of raw stock of negative and positive? If the raw stock was to be manufactured in India, we could have saved the foreign exchange.

Due to the gross negligence of the Company for 31 years, they could not fulfil the purpose for which the Company was floated. It is because of this negligence of the Company that the film industry has been suffering and it is suffering till today.

Earlier, till the 14th June, 1991 a roll of 1000 feet of film used to cost Rs. 2211; after the new Industrial Policy that the Government has brought in, the same roll of 1000 feet costs Rs. 3291 now. Thus for every one roll of 1000 feet there is an increase of Rs. 1080.

For every print that we make it requires 16 rolls of 1000 feet each. So, every one print film thus costs Rs. 17,250 more. Previously the cost of a film used to be Rs. 45,250 including the cost of raw stock, developing and printing. Now the print costs Rs. 62,450. We usually take out about 100 prints for every film. Thus, the producer will have an additional burden of Rs. 17,25,000 on every film that he makes.

Therefore, for a total consumption of positive raw stock for an all language film about five lakh rolls of 1000 feet, for 927 feature films, with an increase of Rs. 1080 on one roll of one thousand feet, the burden shifted to the industry will be to the tune of Rs. 54 crores. This is an increase of 56 per cent and now, I come to the negative film. *(Interruptions)* I would like to bring to the notice of my colleagues that it is very strange that we get the positive from one company and

the negative from another company. The stock of negative film we get from the National Film Development Corporation and we get the positive from the Hindustan Photo Films.

The total consumption of negative film for 927 films is 45,000 rolls of one thousand feet each, per year on an average. The negative used to cost Rs. 8000 per thousand feet earlier and the total cost comes to Rs. 36 crores now. With this new Industrial Policy, the negative costs Rs. 12,000 per 1000 feet Roll and this will be a total of Rs. 54 crores and the increase of Rs. 18 crores, it adds up to Rs. 72 crores more. That is what this Policy has given us! And I am grateful to this Government that the industry that has done so much is burdened by this Government, to the tune of Rs. 72 crores.

In the year 1990-91 the allocation of foreign exchange to import the negative film was Rs. 15 crores.

[Translation]

MR. CHAIRMAN: Shri Sunil Dutt ji, please tell your demand.

SHRI SUNIL DUTT: I will speak about the demand also. The condition of the Film Industry should be known to this House and the hon. Minister. *(Interruptions)*

[English]

Before the devaluation of the rupee, for the year 1991-92, the allocation was about Rs.20 crores for negative stock and now they have reduced it to Rs.10 crores and after devaluation of the rupee by 22 per cent, it has gone down to Rs. 8 crores.

You can imagine how much negative stock can be purchased with that money, and how many film can be made? This is a reduction of 66 per cent.

With this 66 per cent reduction, there will be a drop of 66 per cent in films and there will be a reduction of 66 per cent jobs in films. It means that more than six lakhs of people will be jobless and the State Governments will not get less than 66 per cent of Rs. 800 crores. And this is one of the greatest loss to the film industry.

Sir, video piracy and cable TV are ruining the film industry. There are no rigid laws in the country whereby video piracy and cable TV could be controlled. In other countries, if any body is caught in video piracy and using the cable TV, that person has to compensate the cost of the production of film. But it has never happened in India.

We should not forget that the contribution of Indian cinema is tremendous. Men like Shri Satyajit Ray, Shri Mrinal Sen, Shri Ritwick Ghatak, Shri Mehboob Khan, Shri Raj Kapoor, Shri Guru Dutt, Shri S.S. Vasan brought Indian cinema on the international arena. If you go to Russia, East European countries West Indies, Africa and anywhere, you will come to know India through Indian cinema and people singing Indian songs.

As far as spreading of Hindi language is concerned, it is my challenge that the Government programmes are not successful as our Indian cinema is. You go to Mizoram, Nagaland, North Eastern States or South India, you will see people there singing Indian songs. In a way, Indian cinema has contributed a lot towards developing Hindi all over India.

Sir, there are tremendous work of Indian cinema in regard to national integration. And what else the contribution can be? An why the cinema is being neglected by the government?

Sir, I now come to NRIs, who pour money over here. If you go to any country and sit in their car, you will only hear the Indian music. It is the Indian music, Indian cinema, which is bringing their memory back home and they send their money to their parents and their families. That is how, we are getting so much of foreign exchange. Then the Government tells us that you are not earning sufficient foreign exchange; we earn through films and we earn through so many sources. We make many Indians to invest their money in India. We make them to send money to their families here. And this is one of the important contributions that our Indian cinema is doing.

Sir, last but not the least, I would like to say to the Members of this House that

we always remember cinema people whenever elections come. Everybody like to drag the cinema people when elections come. We already witnessed that. Therefore, my request to the Members of this august House, whichever Party they belong to, as we all stood together on fertiliser subsidy, we should fight together for the cause of the film industry because film industry is no better and the artistes belong to everybody. If they have a liking for BJP, they work for BJP; if they have a liking for Janata Dal, they work for Janata Dal; if they have a liking for Communist Party, they work for Communist Party; and if they have a liking for Congress party, they work for congress Party. Therefore, it is the duty of the Members of this House to join hands with me and fight for the cause of film industry.

16.44 hours

DR. JAYANTA RONGPI (Autonomous District): Sir, I rise to express my total disapproval to the Industrial Policy of the Government. Therefore, I do not support the Demands for Grants of the Ministry of Industry which the Government is seeking.

Sir, the new Industrial Policy Resolution is contrary to our national objective and it is quite opposite to what we have declared in the Preamble of our constitution. I reiterate that it is quite opposition to the Preamble of our Constitution.

I did not want to go into the details of this debate in regards to changes in USSR. But, one of the hon. Member from the Treasury Benches, Shri Mukul Balakrishna Wasnik has mentioned about the developments in Soviet Russia. He has compared Glasnost and Perestroika with the present Industrial Policy of the Government of India. It is ridiculous to say that the changes in the Soviet Russia are compared with the liberalisation policy of the Department of Industry of the Government of India. We must know that in the Soviet Russia there is a definite and strong socialistic system. There is Communist Party which have go its deep roots in each and every village of the Soviet Russia. In Soviet Russia there is a strong socialistic economy. Their economy, their capital, their means

of production are still controlled by the State. But, we are among the semi feudal, semi colonial countries which has the highest illiteracy and unemployment in the entire world. Forty per cent of our people are living below the poverty line. We have housing problem. People are still living in the slums and we cannot provide them a decent housing. In this context, I think it is very ridiculous and it is very wrong, if we compare the changes in the Soviet Russia with the present liberalisation policy of the Government of India.

Sir, the Government has advocated that by inviting the foreign capital there will be more employment, there will be new technology and our economy will grow. In this connection I want to bring to the kind attention of the hon. Minister about the Tea industry in Assam. Tea industry in Assam is 97 per cent privately owned. In the last decade its cultivation is expanded by more than 10 thousand hectares. But, if we see the employment, the employment has decreased in the tea gardens in spite of increase in the hectares of the tea gardens. Why? It is because the private houses are retrenching the work forces. Therefore, there is shrinkage of employment.

Sir, I want to say something about technology. We need a good and modern technology. But, in that case also we must be choosy and there must be restrictions. I have read in the newspapers that by one of this new technology, a special type of utensils and frying pans will be manufactured, so that eggs and vegetables shall not stick to it while cooking when our people are not getting enough food to eat and there are reports of starvation deaths. I do not understand why this type of technology is a priority? I think it is a very wrong step that the Government has taken.

Another dangerous thing is that the locational restriction has been lifted. What will be its result? Many of the hon. Members have already pointed it out. We have seen the Bhopal Gas Tragedy. The industry of Union Carbide was situated in Bhopal. In western countries or in other socialist countries this type of hazardous

industries are never allowed in and around a locality where there is concentration of population. In spite of having a little bit of location restrictions, incident like Bhopal gas tragedy has occurred. I am afraid, what will happen when this location restriction is totally lifted.

Foreign capital is invited up to 51 per cent. It will lead to what? It will lead to total ownership of our industry into foreign hands.

Through you, Sir, I want to bring to the notice of the Government that a self-reliant economy is essential for our independent domestic policy as well as for our independent assertion in the external or the international arena.

In spite of our so many wrong policies, in domestic affairs, in spite of our poverty, in spite of so many problems in our country, still India has a prestige in the international arena because we could assert in the international arena with our special thrust on our anti-imperialist movement. But the foreign capital will definitely dictate terms in our country as we have seen in other countries where multinational companies, multinational agencies have entered, like in so many Latin American countries. Like in Sri Lanka, like in Pakistan, they will dictate terms as to which way we should go in UNO, which way we should take our part in the international debate. So, I warn the Government that whatever respect India has in the international arena in the international sphere, by this industrial policy, we will lose that.

I want to bring to the notice of the Government that through this new industrial policy, the regional imbalance would increase. Now in the North-East, though there is enough raw material and there is enormous potentiality, but because of lack of infrastructure, the pace of development of industries is very slow and that has resulted in so many social tensions and so many underground armed insurgencies in the North-East.

As I belong to the North-East, I want to warn the Government that because of this new industrial policy, when the location restriction has been lifted, the industry will concentrate only in those areas

where there is infrastructure and the North-East will be neglected as it has been neglected since Independence.

Sir, it is already six years that the Government of India agreed by way of Assam Accord that there will be a fourth refinery in Assam, that there will be a paper mill opened there and there will be a gas crackers factory. Already six years are over but these are yet to come into existence. I doubt that this industrial policy will further aggravate the situation.

I want to bring to the notice of the hon. Minister of State for Industry, who is also from North-East, that I am surprised when the hon. Members of this House here are demanding that there should be industries in their constituency or in their area. It may sound very absurd but it is true that if I advocate for an industry in my constituency, next time I may not win from that constituency because people are afraid of industries. People are afraid because when there is an industry, the tribal people will lose their land and in that industry they will not get any employment, they will not get any job opportunity. Their fear is that the industry will bring pollution to the environment. They will not be able to do their JHUM cultivation, they will not be able to grow vegetables. I represent the Karbi ANGLONG and NC Hill district of Assam where the majority of population is tribal.

There is one big cement factory in a place called Bokajan. Because of air pollution, 45 villages in an area of ten sq. kilometres cannot grow any vegetables now because it is full of cement dust. Therefore, while I vehemently oppose this industrial policy, at the same time, I say that if this policy continues, this type of industries where there is not good working environment, where hazardous environment continues, whether in the monopoly private sector or with the involvement of international agencies, should not be provided in my constituency.

With these words, I conclude my speech.

SHRI K. RAMAMURTHEE TIN-DIVANAM (Tindivanam): Sir, I am thankful to you for the opportunity given to me.

I stand here to support the Industrial Policy of this Government and the Demands for Grants for the Ministry of Industry. As regards the policy is concerned, the industrial development depends on the likely economic change which is likely to bring out in the area concerned as also in the area where the industry is to come up. This needs detailed planning and de-centralisation of industries. Rural development must be taken into consideration when the industries are to come up. The employment generation must be taken care of whenever any industrial development is proposed. That will be the real development. I find that in many places there are some industries which account for industrial development in the area but at the same time, do not give enough employment and do not generate enough employment opportunities. In my own area there is the granite industry. Though it requires a major investment, the employment generation of that industry is very little or very small. The net result is that in the map of industrial development, the area is shown as industrially developed area but whereas the poverty of the area and the unemployment of the area is increasing day by day in spite of the heavy investment in the industry. Care must be taken to see that such industries are established which generate opportunities for employment.

There was a policy which was adhered to a few years back. I do not know how far it is being implemented or it is being remembered today. According to that, the industrially backward districts were identical, care has to be taken into consideration when a new industry is to be started. New industries should be established which will give a new thrust for the industrially backward areas. But that policy was forgotten now. It is time that we think once again on those lines and think of identifying the backward districts — if not the entire district, at least the backward area — and go in for establishment of new industries.

As far as the small scale industries are concerned, I must bring to the notice of the Government that the maximum cor-

ruption takes place only in the small scale industrial sector. When a sanction is made for a small scale industry and the person goes for a loan for the particular industry which is sanctioned, the first practice is that the subsidy amount is taken away and the other amount alone is given to him. The grant is taken by the man in the financial institution or the man who identifies or helps the person through the Government.

I find corruption at every stage. If Rs. 25,000 is given as loan, at least Rs. 20,000 is taken away at various stages by way of corruption or by way of brokerage. And then finally the man who is sanctioned the industry swallows the amount and no industry comes up. After two or three years, the Government or the concerned Department, or the Bank or the financial institution conveniently writes off the loan amount and no industry actually comes in that area. This is how the small industries sector is functioning as regards the initial stages are concerned.

There is no monitoring agency also. In the districts the monitoring agency or the helping agency is necessarily the small officers in the block development office or the times officer in the financial institutions which are concerned with the grant of the loan.

17.00 hrs.

These two people identify persons who do not have an interest in bringing out the industry. They identify the persons who feed them in the lower ranks of the financial institutions. There is still no survey regarding how far the sanctioned small industries have come into existence and how many continue to function. This is the biggest hurdle that has come in the way of rural industrial development.

As far the small scale industries are concerned, certain products are to be earmarked for small industries. In the handloom sector, dhosi is earmarked for handloom industry alone. Likewise, the plastic industry, the spare parts for the motor industry and other industries must be earmarked for some of the small scale industries. At one stage it was

done, but ultimately it turned out to be the units of the monopoly concerns. To begin with, the spare parts production units started as a small scale industry and ultimately today they are in the hands of the monopoly industrialists, bigger industrialists. So the Government should find out the way to develop small scale industries and medium industries and help the small entrepreneurs.

As far as the public sector units are concerned...

MR. CHAIRMAN (Shri Ram Naik): Please conclude.

SHRI K. RAMAMURTHEE TINDIVANAM: I want more time, Sir.

MR. CHAIRMAN: There is a long list of speakers. So please wind up.

SHRI K. RAMAMURTHEE TINDIVANAM: Sir about the public sector units, I have my own experience of them in my area, Neyveli. If at all corruption is found in any sphere of the Government, it is the maximum in the public sector units. And the public sector units which function in a particular area are jealous and they see that no ancillary industry comes up in that area and in the area surrounding it. I find that in spite of so many years of functioning of the Neyveli Lignite Corporation, the entire area around the Neyveli project is industrially a backward area. If the Neyveli Lignite Corporation needs any material to be printed, they go to Madras and they choose a particular printing press and get it done there. In the same way for each and every requirement of the public sector unit, they run hundreds of kilometres, to distant places, to place the orders on the people who can grease their hands or the people in whom they are interested. If this is the way the public sector units are allowed to function, naturally you will not find any development in the surrounding area and the purpose for which they were established is defeated. Not only the purpose of economic development, but also of the industrial development will be defeated by these very bigger units. Therefore, the Government should do something to avoid all these things and the very functioning and manage-

ment of the public sector units needs review.

As far as Tamil Nadu is concerned, our industries are slightly different in regard to the use of power. We do not have the hydro-electric units. We have only thermal power units. For this coal is the biggest necessity. Our biggest thermal unit is Mettur, which needs a high quality coal which is supplied only from Singareni and from nowhere else in India. We do not get this regularly and the net result is, our thermal power units come to a standstill for a few days in a month and for several days in a year. If this is to be overcome, the Central Government must come forward to allow the State Government of Tamil Nadu to import 3 lakh tonnes of buffer coal stock and this requires foreign exchange. Regarding this, the Government of Tamil Nadu has made a strong recommendation. I request the Government of India to sympathetically consider it and sanction it as early as possible.

In Tamil Nadu, we cannot develop our industries through railways because ours is mainly on the metre gauge sector. So, it is the road transport which is helping us to a great extent. In this regard, the East Coast road work must be taken up immediately and completed soon.

Then, there are some people who prevent others from getting licences for starting sugar industry, but at the same time they do not go in for establishing the industry even after three or four years. The Government should view it very seriously and cancel their licences. Then, there are some industrialists who conveniently take licences and get loans of several crores of rupees from financial institutions and after some time they say that the project has become sick. They squander money like this and this squandered money should be accounted. The man who takes the licence and gets financial aid lives in comfort, but he squanders away the money which he has got as loan from financial institutions. This has become a regular feature among the capitalists. On the one hand the small scale industry is suffering and on the other hand several crores of

rupees are being squandered by the industrialists in a big way in connivance with the financial institutions, with the Government officials and others. This must be put an end to.

In Tamil Nadu, there is a need for a satellite port in Ennore which is likely to handle 8 million tonnes of coal in a year. It is coming up in a big way. This must be considered by the Government and early sanction must be given. The Tamil Nadu Electricity Board is setting up Cauvery Offshore Gas Utilisation Project which can produce 300 MW of power, but the Central Government has slowed down its progress. So, I request that the Government must increase the investment on ONGC in Tamil Nadu so that this project can be established soon.

Then, the Hindustan Photo Films Limited has given a proposal for cine-colour positive film production at Ootacamund. This has not come up so far due to various political and other considerations. There is also a fear that it may not come up in Tamil Nadu but it may go to some other place. There is every necessity for this Unit to be established at Ootacamund in Tamil Nadu. The claim of Ootacamund in Tamil Nadu for the establishment of this Unit should not be ignored by the Department of Industries.

The major industry in Tamil Nadu is handloom industry. The powerloom industry is facing lot of problems. The problems of the powerloom industry has to be sympathetically considered by the Central Government because in Tamil Nadu, the State Government is fully with the handloom industry and the powerloom industry is neglected one. In comparison with Maharashtra and other States, the powerloom sector in Tamil Nadu is suffering very much. The Central Government must come forward to safeguard and help the powerloom industry in Tamil Nadu.

These are the basic necessities for the development of Tamil Nadu which the Central Government should consider. With this request I support the Demands for Grants for the Ministry of Industry.

[Translation]

MR. CHAIRMAN: You see, the speakers are so many and the time is limited. Each of the hon. Members should express his views in five minutes.

17.10 hrs.

[MR. DEPUTY SPEAKER in the Chair]

SHRI RAM NIHOR RAI (Robberts-ganj): Mr. Deputy Speaker, Sir, today I have got an opportunity to speak on the Demands for Grants of the Ministry of Industry. So I am thankful to you. India is an agricultural country. Eighty five per cent of the population lives in villages. Agriculturists and labourers are associated with agriculture. While opposing the Industrial Policy presented by the Government I would like to say that the Government has never expressed any sympathy towards the agriculturists. Because I have observed that with the withdrawal of subsidy on fertilisers, the Government has been atrocious towards agriculturists.

Chowdhary Charan Singh ji has said that the country can develop only through villages and agriculture and not by big industries and beautiful cities. Respected Charan Singh ji laid more emphasis on agriculture-based industries.

Meanwhile, I would like to speak about my own area wherefrom I have been elected. In Mirzapur Sonbhadra there are only 5 thermal power stations and 6 coal mines. Big thermal power stations at Anpara, Beejpur, Shaktinagar etc. have been set up after uprooting the Adivasis and Harijans of the backward areas. Similarly many thermal power projects are under consideration. Rihand Dam was also constructed in 1954-55. At Mirzapur Sonbhadra there is a factory of Hindalco. Through you, I would like to say that these are big Aluminium factories wherefrom Aluminium is being exported in large quantities. Through you, I would say that the export of aluminium should be stopped, so that Adivasis, Harijans, Girijans and backward people may get jobs. I would like to say that dense clouds of hi-teach carbon smoke are discharged from Kanodia and HINDALCO because of which those people

are very much disturbed. Harijan-Adivasis and forests are being destroyed, due to which many killer diseases are spreading there. Unemployed harijan adivasis are not getting any jobs. In 1954-55, in an area of 20 kms. from Anpara Thermal Power Station, poor people and all Harijans and Adivasis were displaced. Thereafter nobody was re-habilitated. After the displacement of those people from there, Shaktinagar Thermal Power Station was set up and adjacent to that, Anpara "A" and "B-1" were set up. Besides there are coal mines at Kakri, Chilka Dau, Beena, Kharia and Dudhi Chua. The condition of the people living there is pitiable, their total development may be done. We have more than enough stocks of electricity, coal and stones for all these factories. These are very costly stones. If small industries may be set up and these stones are utilised there, Adivasi and backward people of that area can get employment. Fifteen years ago a fertiliser factory was sanctioned in Mirzapur-Sonbhadra. But the then Chief Minister got it shifted to Phoolpur. In our area there are cement factories at Dala, Churk and Chunar. But that propoerty worth Rs. 7.5 crores was sold at Rs. 26 crores only. Our gold is being sold in foreign countries, and it can be prevented. But I have raised questions about all these three factories. I have referred these to the hon. Minister for scrutiny. The figure estimated by 10-12 Industrial Houses is 10 thousand crores. The total arrears may be realised from all industrialists. There was a time when India was considered a golden sparrow. Even now it is a golden sparrow. The people who become Ministers in our country, whether they belong to the ruling or opposition party, if they are honest and men of character, within one year the whole situation will get changed and the gold which is mortgaged will come back.

Politicians get financial support from the capitalists like Tata, Birla and Singhania to achieve their political motives and in this manner our country is being sold. There is carpet business in my constituency. Cotton spinning industry

should be set up in small scale sector. Foreign exchange worth crores of rupees is earned and the industry is in deplorable condition. Mirzapur, Sonbhadra, Bhadohi and Madras are the biggest carpet markets of the world. Today, their condition is miserable. They have to purchase yarn from big industrialists. Cotton spinning mills should be set up in small scale sector in Mirzapur, Sonbhadra and Bhadohi. As per the prevailing condition if we continue to take foreign aid, the development would stop. I would like to submit that this scheme should also be included in the new industrial policy and some provision should be made for the labourers working in carpet industry and also for the small weaver. Medical and other facilities are available to Workers employed in big industries. However, there is no arrangement of medical and other facilities for the weavers in rural areas who work in all conditions throughout the year. These facilities should be provided to them also.

People in Sonbhadra area have been displaced several times and this process is still going on. The hon. Minister says that no space is available to re-habilitate those people. It has been written in Pt. Deen Dayal Upadhyaya's book on mono-psychism that a country can develop only when the villages of the country develop. If industries are set up in small scale sector it would increase the output and you will find that villages may prove a major medium to prosperity rather than cities. A number of people were displaced in Sonbhadra. Power stations and mines have been set up there but no place has been provided to rehabilitate them. The Government should give priority to habilitate those people. Residential colonies should be constructed exclusively for them as it is done for the bureaucrats. Why are similar facilities not provided to them? Are they not the citizens of India, have they not the same rights? They are not given the same facilities because they are illetrate, and therefore they are driven away. They gladly get ready to give their land. Wealthy people from Punjab, Haryana and other states go there. A Thermal Power Station is being installed at Bijapur which the hon.

Minister visited last month. The contract of this power station was given to an English Company, though initially, it was to be given to BHEL. There is a world of difference between input and output prices there. BHEL had given an assurance to provide to the product manufactured there at cheaper rate. But even then the contract was given to that English Company. Heavy transportation charges have to be borne by the Government to transport the goods manufactured by the company in England. If the Government follows such policy certainly we will have to suffer, gold will have to be mortgaged, we will have to beg from door to door and it will be a matter of shame for India. Therefore, if small in place of big industries are set up particularly in Sonbhadra and Bijapur it would be very beneficial. Tendu leaves, stones used for constructing buildings are in abundance there and cement factories can be set up. The poor people in our district do the heavy work of breaking stones but remuneration is not paid to them accordingly. Therefore, the work should be handed over to small sector and labourers should be exempted from income-tax, sales-tax etc. Our farmers have to face attachment if they fail to pay a loan of merely one hundred rupees but no action is taken against big industries even when their dues are worth crores of rupees.

There are no rules and regulations for them. The previous Government had assured to waive off loans of about Rs. 10,000 crores and had waived of about 1000 crores of rupees loans but the rest of the work could not be accomplished. Will this Government waive off the loans of poor farmers? Certainly, Government would like to take such action as there is no provision to so. Therefore, I oppose this Industrial policy. I would suggest the hon. Minister of Industries to set up carpet factories there in small scale sector. Hindalco Aluminium Factory, which supplies its produce to Punjab, Delhi and Haryana and also to foreign countries should also be set up in small scale sector to generate job opportunities to lakhs of people who are unemployed and starving. Moreover, training centres

should be set up for poor Harijans, Adivasis and people of other sections who are illiterate, backward and have no school facilities, to train them in carpet weaving. If small scale industries are set up there they would not be ruined. Therefore, through you, I would submit to the hon. Minister to set up industries there also.

Mr. Deputy Speaker, Sir Thermal Power Stations are there, I would not like to mention their names. They have been a major source of electric and coal supply to the whole country, even to Nepal. But there is darkness in Mirzapur and Sonbhadra. Though the Minister to Power and Energy, who belongs to the adjoining area, is not bothered about it. He is concerned only to his own constituency. Everybody concerns himself and not others. I would say that nobody is bothered about the country. I have been elected to Lok Sabha, I am very much worried. If there is proposal for increase in TA, D.A etc. Members would immediately led their support, nobody would oppose. But my submission is that if Pt. Jawahar Lal Nehru or Lal Bahadur Shastri was alive today they would have been very much distressed over it. But these people are doing nothing. They are depositing their money in the banks of Switzerland just as in money was buried under the soil when there no banks. Politicians and officials are not at all honest. After all they will not take this money with them after death. They would leave this with six metres cloth only. I would like the Government to punish such people, it is a crime against the country, we are in debt.

Mr. Deputy Speaker, Sir, if we come to the streets people will automatically start agitations against the prevailing state of affairs within a month or two or a year at the most. Our country is playing in the hands of foreign countries. It has already come under the control of America. I would like to submit that if the farmers take loans to purchase tractors or pumping sets etc. and then fail to pay the same in time they are deprived of their land. But so far as Hindalco is concerned Rs. 2 crores are due from them for the

last 3-4 years but no action has been taken against them so far. Had there been fair dealing their power supply would have been stopped. Therefore my submission is that big industries should be converted into smaller units and more employment should be generated. At present there are about 100-200 capitalists in the country against whom dues worth crores of rupees are outstanding. About 30-40 thousands of workers are on the verge of starvation there and factories on the verge of closure. My submission is that BJP is in power there and Congress at Centre. The three cement factories at Dala, Churk, Kamarhar have been closed and thousands of labourers working there are starving. The former Chief Minister of the State has also pleaded and I also repeat the same that interests of the workers should not be made to suffer because of political rivalry. These factories should be re-opened. The labourers are ready to participate in the management. The policy adopted by Janata Dal providing for workers' participate in the management, should be implemented. The workers have more funds than the amount at which the factory has been sold to Dalmia etc. If the said policy of Janta Dal is implemented, those factories would certainly run in profit.

Several times I have given notice under rule 193 but my notice was disallowed. I would like to submit that the Government should enquire into the actions of IAS officials who worked for the profit of the factories and also those who were responsible for the loss. Our Ministers dance to their tune. The Government should order an enquiry into the whole matter.

The equipment installed in the factories can be prepared even by the small workers. I am referring to an incident that occurred in the month of June four years ago. I belong the Robertganj and one of the labourers made a requested that he might to be allowed to develop a machine. He also said that it would cost only Rs. 10,000/- and he should be promoted in recognition of execution of this job. But the work was not entrusted

to him, instead it was given on contract of about Rs. 4 lakhs, and the time allotted for it was six months. It was not done within the stipulated period. But it was not entrusted to that worker because the Government cannot afford to promote a person. This is the condition of our country.

Opposing this Industrial Policy, through you, I would like to submit that more provisions should be made for the Adivasis in Mirzapur and Sonbhadra and small industrial units should be set up there. With these words I oppose this Industrial Policy.

[English]

KUMARI FRIDA TOPNO (Sundargarh): Mr. Deputy Speaker Sir, while supporting the demands for grants of the Ministry of Industry, I would like to mention a few points. Our country is facing financial crisis. A large number of our people are working in foreign countries who might be interested to establish industries in this country. They should be encouraged to do so. The foreign exchange that they are earning will be utilised in our country for the establishment of industries. But multi-nationals should be discouraged in the future interest and safeguard of our country.

Secondly, more of agro-based industries should be encouraged since our country is essentially an agricultural country. Besides, more small scale industries should be set up in the rural areas to give employment to our rural people who are very poor. Whenever any new industry is established, care should be taken to employ local unemployed persons. In every industrial unit, workers' interests should be safeguarded. Labourers should be involved in the production side so that they will take more interest in the work. There should be good relationship between management and labour.

I want to say something about my constituency. The Bonai Sub-division in my constituency possesses the largest deposit of iron-ore in the country. It supplies the best quality of iron ore to Rourkela, Bhilai and Tata Steel Plants. Bonai sub-division is one of the most backward areas in the country, having

not a single industry, in spite of mineral resources plentifully available. So, my submission to this august House, through you, Sir, is that this tribal dominated sub-division is being neglected both educationally and economically. People are mostly dependant on agriculture for their livelihood which is not sufficient. Moreover that area is mainly dependant on rains. Adequate irrigation facility is not available in the sub-division. Hence, there is no possibility of sound crop. Poor people sit idle for about six months. An industry is urgently required to be established in that area. So, I request the Government, through you, Sir, to establish two sponge iron factories in Bonai and Gurundia, to improve the lot of the age-old neglected people of this sub-division.

There will be no transportation cost of raw-materials and disciplined man-power will also be plentifully available which will create job avenues to the unemployed youths.

With these words I conclude my speech and I thank you very much for having given me time to speak.

SHRI VIJAY NAVAL PATIL (Erandol): Mr. Deputy Speaker, Sir, I rise to support the Demands for Grants of the Ministry of Industry.

We know that since 1956—since the inception of the Industrial Policy—there have been changes, amendments and new face-lift to that policy. But, the year 1991 saw a very drastic change. With this has come the de-licencing and more equity participation of the foreign companies. These two things are very important.

As far as the de-licencing is concerned, it has got its own dangers because it will unleash very unhealthy competition and the main sufferers will be the small scale industries. The small scale industries are enjoying some benefits now and those benefits will not be sufficient for them because of the entry of other people in every field due to de-licencing.

So also, the Government has allowed the banks to charge higher interests. Charging of higher interests on loans

advanced to the small scale industries will also result in more problems in re-payment by the small scale industries. It is not sufficient just to de-licence, if we have to have proper industrial growth. We must see that the raw-materials and other infra-structure are supplied to the industrial areas. What we see today is that the contemplated growth in power generation has not taken place. Not even 25 to 30 per cent of the target-what we have anticipated to happen by 1990—in power generation has been achieved.

As regards power generation, I would like to suggest that in industrial clusters, some private companies should be allowed to enter. Instead of allowing the private firms which are generating power by means of thermal power plants or by hydel power plants, to supply power to the grids, they should be asked to supply power to a particular industrial cluster, so that measurement can be proper and that particular industrial area will get regular power.

I will also suggest that some cooperative societies can be formed by these industries and they can be allowed to generate power so that there will be regular supply of power. So also, time has come that we must give some incentives to industries which are using alternate sources of energy for production in these units. Some kind of incentive that is being given today should be increased because in the very near future the fossils' growth will start exhausting. They will become more costly. That is why the industrial houses or industrial units, which utilise alternate sources of energy, like solar energy, should be given more incentives.

Efficiency, competition and modernisation was the main objective of the new industrial policy that was backed by late Prime Minister, Shri Rajiv Gandhi. During his time also, he tried to give leap forward to our industrial production. Our production increased. It was 8.5 per cent growth during that period also. But the employment has not increased along with industrial growth. I would like to quote some figures. Small-scale industry was employing 1.19 crore people in 1989. We

are contemplating that it will be able to employ 1.33 crore people in 1990-91 and 1.56 crore in 1994. That is not sufficient. It should be more employment-oriented. With the overall employment, which we had seen in the decade 1970-80, the production was 4.5 per cent while the employment increased by 2.8 per cent. While it came down to 1.5 per cent in the case of employment, the production, of course, increased by 8.5 per cent. So, the employment is not commensurate with the increase in the industrial growth. We see thousands and lakhs of unemployed youth. For this also, in the Industry Ministry, there should be some thinking. What I suggest is that more electronics industries should be brought in because these are more employment-oriented.

So far as sugar factories are concerned, I would like to suggest that the present policy of the Government for the last three years is that they are giving licences to the units having 2,500 tonnes per day capacity. It is not economical. It is not compact. I would like to suggest to the Hon. Minister that the old facility of giving licences to the units of 1,200 tonnes per day capacity should be revived because that will involve compact areas. Transport from long distance will not be there. Many of the sugar factories are from the cooperative sector. If it is a small unit of 1,200 tonnes per day capacity, there will be proper coordination among the members.

It is good that up to 51 per cent foreign equity will be allowed. What we see is that Japan has entered into automobile industry. Germany and other countries are more interested in chemical industries. We hear that because of pollution in their countries they do not want to set up more of chemical industries in their own countries. But they would like to collaborate with Indians to start more of chemical and petro-chemical industries in India. But if these industries are concentrated in metropolitan towns, near big cities, they would create more pollution. I would suggest that when we are thinking of starting industries in hilly areas, the people who want to contribute up to 51

per cent foreign equity, should be asked to open these industries in hilly areas. For example, there is a gas pipeline from Bombay High going to Jagdishpur passing through Satpura Hills and the Satpura Hills is in the border of Gujarat, Maharashtra and Madhya Pradesh. That is a tribal belt. There are five MPs representing that area. If some industrialists can be motivated or asked to start some petrochemical industry, by allowing some gas which is going to Jagdishpur side or the Batra side in the Satpura area, then more employment will be there.

Lastly, I would also like to suggest that inspite of the weak points, the public sector units have to grow but their growth should not be concentrated. We know that in the present day era, if the nation does not industrialise, then it will perish. And if the district also does not industrialise, then it will remain very backward. Hence, a policy should be adopted that whenever a new unit of the existing public sector undertaking is to be opened, it should be opened in a district, where there is no public sector undertaking. For that matter, now there are about 240 public sector undertakings but we have got about 550 districts. If you want to open new units or new public sector undertakings, then you should see to it that they should be opened in the districts where there are no public sector undertakings today. If you do so, then every district, in five years hence, will have at least one undertaking or one unit of an undertaking. Thus there will be more local employment and proper industrial growth in that area.

I would like to conclude by saying that due to labour unrest, we see industrial decline in Calcutta and due to good industrial climate, we see good industrial growth and prosperous industries coming up in Gujarat. So, a study on this situation, particularly on this phenomenon, should be made so that suggestions on why such things are happening, will come forward. In Calcutta, people invite the industrialists but they are not ready to go there. But in Gujarat, they

are swarming in places like Ankleshwar, Wapi and Surat. So, an ideal industrial climate has to be created in every State where you want to establish new industries and for that proper coordination between the labour and management has to be brought in. We know that in India, people are aware of their rights but they should be told about their duties. We have enacted many laws for the welfare of labour. But if there is more unionism then the result will be like that of destruction of textile industry. That should not happen. In Bombay, it has happened due to labour unrest. It is bad. If it happens in other industries in other areas, then it will also be bad. That is why, proper industrial atmosphere must be maintained and for that, a study must be undertaken by the Ministry, by taking Calcutta and Gujarat as examples.

With these words, I thank you for giving me time to speak. And I support the Demands for Grants for the Ministry of Industry.

SHRI P.C. THOMAS (Muvattupuzha) :
Sir, I rise to support the Demands for Grants under the control of the Ministry of Industry.

The new Policy has many assets and the main asset that has been spoken by almost all the speakers is that there is an element of efficiency which is given the top priority in this Policy. If efficiency will be increased, then, there is absolutely not doubt that our industrial sector will get a very good boost. Corruption is something which must be curbed. For this also, I think the healthy competition that can provided by the new Policy will be of great help. Red-tapism and bureaucratic delays can be avoided by liberalisation which is envisaged in the Policy. When the Policy is brought to practice, we will find very good results. I support the new Policy to a very great extent.

Of course, there are constraints also. Though the Policy sets up very good guidelines, there are areas where monopoly and some of the wrong practices in trade may override the good intentions which are spelt out in the Policy. There

must be some sort of monitoring or some sort of control to see that such wrong practices are avoided.

I would stress upon another aspect. I demand that the new Policy, when implemented, should give more importance to agro-based industries and industries in the small sector. There are very many entrepreneurs, especially unemployed youth, who would like to start industries. They are willing to enter the industrial field and put their efforts with maximum honesty and efficiency. But it is unfortunate that the industrial climate often stands against them and they are not given proper encouragement. For example I can tell you what has happened in Kerala. For the past so many number of years, Kerala is considered a State where there is a high rate of literacy. Educated persons are in a very large number. Youth are generally very active and young entrepreneurs are ready to go to any field and are willing to face any challenge. But when they enter the field thinking that they can succeed, they face so many problems. They are so fed up and frustrated that they start going back, fearing the new challenges. I feel the general industrial climate should improve a lot. Infrastructure and other facilities which are to be provided by Government and other agencies should be improved. This particular aspect should be given much more importance. Government should be ready to provide more encouragement as well as infrastructure. Government must encourage the youth to start industries in the cooperative sector is also on their own. With this help and encouragement, they may be able to cope up with the problems that they may be facing, in a better way.

Sir, I am not going into the details of the other facets of the new Industrial Policy. I welcome the new venture by which public sector undertakings will also be given a boost, provided they are doing well. I do not agree with many of our friends, who say that this new Policy intends to curb the public sector undertakings. It is not correct. I think giving much more autonomy to the public sector undertakings is a very good suggestion.

This is a welcome suggestion and if it is brought into practice, it will yield good results. When the public sector undertakings are not subject to so many curbs on their functioning, they will rise to great heights and meet the industrial needs and I think they will be able to give better results.

It is true that if a public sector undertaking is not able to produce result; is not able to come to a proper standard we should have a second thought as to whether it should be given the same encouragement or not. I think the present Industrial policy has given a serious thought in this respect.

If public sector undertakings are to be given boost, the Government has to take much more responsibility. We have found in many fields that when it comes to industry, if the Government starts an industry, the Government as such is not a very good industrialist, because there are so many constraints. Even though this is the situation, we have to encourage public sector undertakings especially in certain areas and that is being done in this Industrial Policy.

I have only one suggestion in this regard, as against what has been stated. I don't know why out of the 18 number mentioned in Annexure-II of the present policy, the motor car industry is included. This is something which should be put to open competition because the common man finds that transportation is becoming so costly now that it is affecting almost all sectors and it is pulling down the progress in all sectors. So, this is something where more competition should come.

I was told by one good friend, who has close association with some of the industrialists as well as the Government agencies, that there are manufacturers who are ready to produce motor cars and vehicles which can run with diesel engine or with diesel or such petroleum products which have very limited cost. I was told that they are ready to produce such vehicles with a very very meagre amount compared to the present amount. I think such entrepreneurs should be given some kind of encouragement in this re-

gard and this should be kept open so that there may be a healthy competition.

Now, due to constraint of time I would stop here by saying one point with regard to my constituency because I cannot forget my constituency even though it is 6 o'Clock.

MR. DEPUTY SPEAKER: 6.00 o'Clock is a very precious time. You can remember your Constituency.

SHRI P.C. THOMAS: My constituency, Mavattupuzha, as my friend reminded me, is a backward area as far as industry is concerned. There is not even a single industry in many rural parts of my constituency. Mavattupuzha is the name of my constituency and it is a place where pineapple is grown in large number. As my hon. friend, Shri Kurien knows, if you pass through the road in Mavattupuzha you will find heaps of pineapples. But the poor farmers who are producing these pineapples are now finding it difficult to produce them because they are not having any facility to store them. They don't have any facility to make the proper use of these pineapples. So, I suggest that a food processing industry which will give boost to the pineapple cultivation should be started in Mavattupuzha constituency in Kerala.

I would like to say that some aid was promised by European Economic Community, EEC.

18.00 hrs.

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI RANGARAJAN KUMARAMANGALAM): Mr. Deputy Speaker, Sir, we will have to extend the time of the House. Could I request for the extension of time by 15 minutes so that the Members could complete their speeches?

MR. DEPUTY SPEAKER: Is it the pleasure of the House that the time of the House may be extended by fifteen minutes?

SEVERAL HON. MEMBERS: Yes.

MR. DEPUTY SPEAKER: The time of the House is extended by fifteen minutes.

SHRI NIRMAL KANTI CHATTERJEE (Dum-Dum): Let us continue tomorrow.

SHRI RANGARAJAN KUMARAMANGALAM: There is one Member who wants to go for Onam tomorrow. That is the point.

MR. DEPUTY SPEAKER: Okay Shri Thomas, you may continue now.

SHRI P. C. THOMAS: So, I suggest that the Ministry should make an earnest endeavour to start an industry for food processing in my constituency. I would also say that this will also be exported so that there is a chance of getting a very large foreign exchange.

PROF. K. V. THOMAS (Emakulam): Sir, I will not take much time. I am confining to the problems faced by my tiny State Kerala. For the first time, we have got a representative in the Central Cabinet, who is looking after the industry. I thought, that I will bring to the notice of the House and the Hon. Minister the problems of my State so that we can get some help from the Government of India. Hon. Minister also knows about our problems.

Sir, it is unfortunate that the industrial growth in this country is confined to certain States and to certain centres. In 1959, the Central investment in Kerala was 3.6 per cent and now it has come down to 1.2 per cent. Kerala is one of the States where educated unemployment is soaring very high. So, I would like to make certain suggestions in this regard. Kerala is producing about 90 per cent of the natural rubber. But we have got only two tyre industries. A large quantity of rubber which is produced in Kerala is marketed elsewhere, rubber products are manufactured elsewhere and again they are brought back to Kerala. So, the Government of India should take adequate steps in order to see that the industries which are connected with rubber should be started in Kerala.

Kerala is the pioneer in agriculture, fish processing and fish exports. Our

contribution to the national exchequer is very high. But even now, the seafood industry has not developed to the extent that it should have developed. Those small countries like Thailand, Korea, which came to this industry at a late stage, have developed to a very big size. So, in the development of seafood industry, I have got three suggestions to make:

Firstly, deep sea fishing should be taken up extensively and the present curbs on the deep sea trawlers should be removed. Those who want deep sea trawlers either of Indian make or of foreign make should be encouraged.

Secondly, new technology for the seafood processing industry should be developed. Now, new technology is available only abroad.

So, the foreign technology should be brought in and we should go in a big way for the seafood processing industry.

My friend Shri P. C. Thomas was telling about the pineapple. That is also an industry where Kerala can contribute.

Now tourism should be another sector where it should be given all the benefits given to an industrial sector. If we look at the present political atmosphere of the country we will find that a southern State like Kerala can contribute to a larger extent to the development of tourism. I am thankful to Mr. Madhav Rao Scindia who came to Kerala two weeks ago; and he himself along with some of our friends from this House have seen our Alleppey Boat function. Anybody who comes to Kerala once, will definitely, I know, try to come again. Our cultural environment is such where everybody would love to come to Kerala again. So, my request is that for the development of tourism, the Government of India should extend a very good help.

There are a number of small scale units in Kerala. Pr. P. J. Kurien knows that now the small scale industries are not getting the protection which they were getting earlier. But I am not telling that they must be unduly protected. But I have got my own fear that the big business houses will make an attempt to engulf these small scale industries. They

were doing the same thing in a *benami* way. Now, there is no *benami*. But still we should see that those small scale industries, which if evaded by big industrial houses, they will not have any existence. So, those small scale industries should be identified and they should be given adequate protection. For example, there is a tread rubber industry. There are very very small units functioning in Kerala; whereas there are big tyre industries, MRF and other people who are also in this field. So, unless some protection is given to the small units for manufacturing rubber, they will be finished. So, Government should take adequate measures to protect them.

Look at the small private limited companies. If our present excise duty, income tax and wealth tax structure is not properly monitored, many of these small private sector companies which are making profit will be finished. Dividend is given to the shareholders. After giving income tax and after giving wealth tax, they will not get anything in their pockets. So, the present excise duty structure, income tax structure and the wealth tax structure should be properly pruned so that the industry will be able to develop.

I am coming from the industrial centre of Kerala, Cochin. I am thankful to the hon. Prime Minister for sanctioning an ammonia plant to FALT. Just two weeks ago, PIB had agreed to sanction an Ammonia Plant of 900 metric tonnes capacity. It costs about Rs. 400 crores. We are thankful to the Government for this because this was one of the proposals which was pending for the last ten years. This has been announced by the new Government.

The fourth unit of the HMT is one of the units in this country which is making profit; and we are manufacturing the printing machinery; and the printing machinery that is manufactured by the HMT Kalamchari Unit is so good that we are able to export them to West Germany. It has improved to that extent. So, there is a proposal for Rs. 800 crores for the development of this Unit. I request the Government to implement this proposal immediately.

The Hindustan Insecticide Company is one of the few companies in the public sector which is making profit. There are proposals to expand this unit at Punalur. The Government should take up speedy implementation of this project.

Prof. P.J. Kurien knows that the Hindustan Paper Corporation is one of the few units which is making profit. The Punalur Paper Industry has been closed for more than one year. We should take steps so that this Punalur Paper Industry should be revived. One of the units of the HPC can come in a big way to help the revival of the Punalur Paper Industry.

Sir, there was a proposal to have a Southern gas grid, that is, gas from the Bombay High taken through Goa and Karnataka can go up to Cochin. It can help the Southern States in two ways.

SHRI RANGARAJAN KUMARAMAN-GALAM: Why only up to Cochin?

PROF. K.V. THOMAS: Only up to that place; if it is needed it can go upto Trivandrum. If this grid is implemented, then it can give cooking gas to our households.

Secondly, there are a large number of petro-chemical industries in Kerala. Also, in Kerala, the electric supply is dependant only on hydro-electric projects. If this grid can be implemented, we can have a gas-based thermal power station in Kerala. This should be seriously considered by the Government of India.

Regarding alcohol, the manufacture of alcohol is now purely dependant on molasses. My request is to try to have the manufacture of alcohol tapioca. If tapioca-based alcohol units can be started then the small farmers having tapioca farms will also be helped.

Regarding the Cochin Shipping Yard in Cochin, it is facing an acute financial crisis because of the unscientific way of deciding the subsidy by the Government. What happens is the price of the ship built in the Cochin Shipyard is decided by the Government while the Government has no control over the raw material. Instead, we have sent a proposal to the Government that the raw materials should be given by the ship owner or the

shipping line and the Shipping Yard should be given the administrative cost as well as the cost of construction. If this can be done, then only the Ship Yard will be saved and the Government should take serious consideration of this.

Coming to foreign technology, very often it has been decided that foreign technology should always be welcomed and encouraged. We should be selective in this.

For example, there is one company, the Toshiba Anand Batteries, which has been functioning in my constituency for the last 25 years. It is going to be under lock-out from tomorrow onwards. For the first 15 years it was making a huge profit. Just five years back foreign technology was imported from Japan and it has completely failed. In that factory, they manufacture torch batteries. This foreign technology completely failed and Rs. 10 crores were again pumped but of no use. It is going to be under a

So, my request is that we have to be very selective and careful in selecting foreign technology. Otherwise, it is costing us lot of money.

SHRI E. AHAMED (Manjeri): Is it because of the technology or any other mismanagement?

PROF. K.V. THOMAS: It was due to the foreign technology only. The Company itself has admitted that the Japanese technology has failed whereas our technology has succeeded. So, when you think of foreign technology, do not be under the impression that all foreign technology should be welcomed. We should be careful about it.

SHRI E. AHAMED: Therefore, to tide over the present situation they should discard the foreign technology.

PROF. K.V. THOMAS: Some solution has to be found out.

Another point is about the growth centres. Now the Government of India's proposal is that each growth centre should be of about 50 acres of land. In a State like Kerala we cannot give more than five acres.

SHRI P.C. CHACKO (Trichur): You are

making a wrong statement. Do you know that the Hon. Minister has made a Press statement that a new growth centre will be started in his constituency?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (PROF. P.J. KURIEN): Sir, I am sorry. I have not made such a statement. I will clarify what it is, ... (*Interruption*)

SHRI P.C. CHACKO: It is a good decision. I am welcoming that decision.

PROF. P.J. KURIEN: I do not want the Hon. Member to welcome it. I have not made such a statement. (*Interruptions*) You should not allow this, Sir.

SHRI E. AHAMED: Coming back to the growth centres, I may be permitted to say that the decision has been taken by the Government as far back as in 1985 or 1986 but it has been implemented only now. It happened to be in Alleppey which happens to be the constituency of the Minister; it is not because of the Minister.

MR. DEPUTY-SPEAKER: He is complimenting you.

PROF. P.J. KURIEN: I do not want such compliments.

PROF. K.V. THOMAS: Sir, coming back to the growth centre, if it is 500 acres of land, states like Kerala cannot provide that much land. It can be 50 acres or 30 acres. If there is one growth centre of 500 acres, in small states like Kerala, North Eastern States it can be divided into small centres of 50 acres or 30 acres or 25 acres. So, this proposal also should be looked into.

With these words, I support the Demands for Grants of the Ministry of Industry.

[*Translation*]

SHRI RAM KAPSE (Thane): Mr. Deputy Speaker, Sir, the Government propose to bring about a change in the Industrial Policy being adopted since independence. More and more restrictions were imposed in the previous Industrial Policy.

[*English*]

MR. DEPUTY-SPEAKER: You can continue tomorrow.

The House stands adjourned to meet again tomorrow at 11 A.M.

18.17 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Friday, August 23, 1991/Bhadra 1, 1913 (Saka)

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