

If proposals for grant of prospecting licences over large areas are not received from the state Governments, nothing can be done by the Central Government.

So far, no proposal has been received by the Central Government for grant of prospecting licence over large areas of the State of Orissa. The Central Government has made all efforts to sensitise the State Governments including Orissa to send proposals for grant of prospecting licence over large areas to catalyze investment in mining sector in India.

Letters were sent on the 31st May, 1997 and June, 1997 of the level of Secretary, Ministry of Mines to the Secretary, Mines and Geology, Orissa and on the 12th July, 1997 by the then Minister of Steel and Mines, that is, my predecessor, Shri Baishya to the Chief Minister of Orissa. Tripartite meetings were also organised by the Ministry of Mines between prospectors, foreign investors and the State Government officials including officers from Orissa and the Ministry of Mines on the 12th July, 1997 and the 15th of May, 1998. The then Minister of Steel and Mines also met the Chief Minister of Orissa on the 10th July, 1997...*(Interruptions)*... the Secretary, Ministry of Mines also met the Chief Secretary of Orissa on 1st July, 1997...*(Interruptions)*.

SHRI TATHAGATA SATPATHY: Sir, I do not want to know this. What I want to know is whether any foreign company...*(Interruptions)*.

MR. SPEAKER: Please sit down. He has already categorically replied to your question. Please take your seat. I have called Shri Ajit Jogi now.

...*(Interruptions)*

SHRI TATHAGATA SATPATHY: Sir, I want to know about Orissa.

MR. SPEAKER: He has already replied about Orissa also.

SHRI TATHAGATA SATPATHY: Sir, I want to know about the foreign companies which are prospecting and which are investing in mining. If that is so, which are the companies and what are the minerals they are interested in? Does the Union Government have any idea about it?...*(Interruptions)*...They have found large deposits of diamond in Orissa along the Mahanadi basin. I want to know whether the Union Government is aware of it or not.

MR. SPEAKER: Mr. Minister, would you like to response?

...*(Interruptions)*

SHRI NAVEEN PATNAIK: Sir, a Paper has been laid on the Table of the House... *(Interruptions)*

MR. SPEAKER: It is not like that. Hon. Member, please take your seat.

SHRI NAVEEN PATNAIK: Sir, in regard to the query of the hon. Member of Parliament from Dhenkanal, Orissa, we can collect information from the State Government of Orissa and send it to him.

In reply to hon. Member's next question...

MR. SPEAKER: No, I have not allowed him that. So, you need not reply. Please take your seat.

[Translation]

SHRI AJIT JOGI: Mr. Speaker, Sir, my question pertains to search of diamond in tribal areas of Madhya Pradesh. Fortunately, diamonds have been found in Devbhog and adjacent areas of tribal region. I would like to ask the Hon'ble Minister through you whether the Central Government approves of giving these diamond mines to multinational companies? If this is done then 90% of country's valuable asset will be taken outside the country by these multinational companies because the Royalty is only 10% in the case of diamonds. I want that Hon'ble Minister should give an assurance that the mines which have been found in the tribal region of Chhattisgarh in respect of which tenders and quotations have been invited, will not be handed over to multinational companies so that valuable asset of our country should remain with us.

[English]

I understand English, please reply in English.

SHRI NAVEEN PATNAIK: Foreign equity is allowed even in mining of diamonds subject to FIPB approval. The Government of India has not yet received any proposal from the Government of Madhya Pradesh in this regard.

SHRI AJIT JOGI: that is wrong. The proposal of DBS has been recommended by the Madhya Pradesh and sent to the Government of India.

[Translation]

Foreign Investments

*224. PROF. PREM SINGH CHANDUMAJRA:
SHRI ANAND RATNA MAURYA:

Will the MINISTER OF URBAN AFFAIRS & EMPLOYMENT be pleased to state:

(a) whether the Government propose to allow foreign investments in the development of basic infrastructure and construction of dwelling units in the country;

(b) if so, the details thereof; and

(c) the time by which the final decision is likely to be taken in this regard?

[English]

THE MINISTER OF URBAN AFFAIRS AND EMPLOYMENT (SHRI RAM JETHMALANI) (a) to (c): A Statement is laid on the Table of the Sabha.

Statement

Government is actively considering the proposal to allow foreign investment (FDI) in the housing sector. Detailed proposal is being formulated by this Ministry, which will be placed before the Union Cabinet, and after the Cabinet has approved the proposal, appropriate orders will be issued.

As per the existing NRI scheme, formulated by this Ministry, non-residents of Indian nationality/origin and Overseas Corporate Bodies (OCBs) which are owned directly or indirectly to the extent of at least 60% by NRI/ People of Indian Origin (PIO) are allowed to invest in housing and urban development sector. The scheme permits existing or new companies, both private and public limited, to issue equity shares/convertible debentures to non-residents of Indian nationality/origin upto 100% with repatriation benefits after a lock-in-period of 3 years with 16% cap on repatriation of profits and no cap on dividend and interest earned for OCB, if the company is engaged in development of serviced plots or construction of residential, commercial premises including business centres and offices, development of townships, city and region level urban infrastructural facilities, including roads and bridges, manufacturing of building materials and financing of housing development.

[Translation]

PROF. PREM SINGH CHANDUMAJRA: Mr. Speaker, Sir, I would like to know from the Hon'ble Minister through you whether there is any proposal of foreign investment for NRIs and Multinational companies also in housing sector? If this proposal is for multinational companies also then whether you have accepted to provide 16% profit to them for infrastructure, electricity and roads? Is the same criteria applicable for housing also? Secondly, I would like to know what is the maximum limit fixed for this purpose and what is the criteria laid down in this regard? Today those people are facing difficulty in the

country who do not have houses or have smaller houses or those who can spend only 2-3 lakhs or can make payment in instalments. I would like to know as to what criteria are you going to fix with regard to lakhs of such persons?

[English]

SHRI RAM JETHMALANI: I am afraid, the questions posed by the hon. Member really do not arise out of the main question that has been asked. The main question was whether the Government is really permitting foreign direct investment in the housing sector. The answer is that we are still at the consideration stage. It is being very seriously considered.

Since we have not arrived at a final decision which I can communicate to this hon. House, if this House permits, I may take a few minutes to share a few inconvenient facts with the House and in fact invite the opinion of the House which will enable us to formulate our policy finally. The hon. Member has asked whether there are NRIs. In the Annexure you will find that the NRI investment schemes already exist. Kindly look at Annexure-I. In 1992 we inaugurated the first part of the NRI scheme. Then in 1993 there was another scheme which related to individual NRIs. Then in 1994 we added to it again by allowing companies registered abroad to come and invest in the housing sector. The result is that in spite of these investments allowed to these NRIs, OCBs and so on, the net result has been that we have been able to get a princely sum of about Rs. 500 crore. I think it is less. It is only Rs. 365 crore. That is all that has arrived in India in 1993, 1994, 1995, 1996 and 1997. In five years time Rs. 365 crore has come when the country needs Rs. 1,50,000 crore which is almost one-fourth of our entire national savings. It is for this reason that even the NRI investment has failed in its purpose. It is a trickle, it is a drop in the ocean.

Therefore, we are seriously considering whether foreign direct investment should be allowed. I want to let this house into a secret that even the Government of Singapore wanted to directly come and invest here in the housing sector. But under our own policy we had to tell them that they have to get an NRI front before we allow them to come in. They said that they wanted complete transparency and that they want no front of NRI and so on. We are still considering it. But I must confess that at the present advice we are in favour of allowing FDI. So, no formal decision has been taken.

But when we do allow foreign direct investment, be sure that the national purpose and our national interests will be borne in mind. The least that we will do is to insist upon a five-year lock-in period. For NRIs and others,

we have a three-year lock-in period. But for this types of an investment at least a five-year lock-in period will be insisted upon. We will see to it that this investment is channelled into the rural areas because in the rural areas we have to build 13 lakh houses in the rural areas in a year whereas in the urban areas it is a little less as we have to build only 7 lakh houses in a year.

If hon. Members have any contribution to our thinking processes, we will welcome it. But at the same time, no final decision has yet been taken. *(Interruptions)* I will welcome it, if the House so desires.

[Translation]

PROF. PREM SINGH CHANDUMAJRA: Hon'ble Minister, Sir, you have not given reply to part 'B' and 'C' of the question. In part 'B' I had asked this also .

[English]

If so, the details thereof.

[Translation]

In part (c) I wanted to know that

[English]

The time by which the final decision is likely to be taken in this regard.

[Translation]

I would like to know what criteria you have laid for this? The problem is not of those people who are living in bigger houses but of those who are living in smaller houses. What criteria you have laid for those people who are living in smaller houses or those who are shelterless? What is the maximum limit which you have fixed because they do not have sufficient money to buy a house. The houses constructed by DDA in Delhi are lying vacant. The reason is that rich people don't want to buy them and the poor people can't afford those houses. What criteria you have fixed for them if foreign investment is allowed. This is very important issue. You are going to provide houses to 20 lakh people every year but what criteria you have fixed for small houses? I want to know whether houses will be provided to those people who cannot make payment in lumpsum and can make payment only in instalments and whether foreign investors will accept it at 16%?

[English]

SHRI RAM JETHMALANI: May I request the hon. Member to hold his inquisitiveness for a few more days. The Prime Minister has already announced as far back as the 27th April that within sixty days the National Housing Policy will be announced. That period of sixty days comes to an end on the 27th of this month. Before the 27th of this month, a comprehensive National housing Policy will be declared and there will be enough time to debate it. In fact, we wanted to place on the Table of this House our Policy by tomorrow, the last day of the first phase of this Session so that hon. Members can, during the recess, think over it and say what they want to say about it. But it could not be done because our Cabinet meeting had to be postponed because of the natural disasters which have taken place recently. Therefore, I am afraid, we will have to wait for a few more days. All the answers which the hon. Member is seeking will be found in the National housing Policy and he will have no more questions to ask.

SHRI SUBRATA MUKHERJEE: Hon. Speaker, Sir, till now the development of infrastructure and construction of dwelling houses in the country was within the direct Government control and yet some years ago some questions of scam in this sector were raised and the concerned Minister was forced to leave her chair. The case is still pending.

In this scenario, when you are allowing foreign investors in this sector, there shall be every possibility of converting them into promoters and it will be a profitable sector for foreign investors and promoters. I would like to know from the hon. Minister whether there shall be direct control of the Government in respect of distribution of houses or the private investors would distribute the houses.

SHRI RAM JETHMALANI: The detailed provisions will depend upon individual contracts with individual developers at different places. By and large the thrust of the Policy is that the rich will be allowed to build for profits but they will have to plough back their profits into housing for the poor people. As the House knows, as far as my Ministry is concerned, my requirement runs into thousands and thousands of crores of rupees but I have not got a single rupee in the Budget directly for housing.

All that I have been able to get from the hon. Finance Minister in the Budget which has been announced and which is still under discussion here is the princely sum of Rs. 131 crore which also will be merely by way of addition to the equity of HUDCO. Now, I am supposed to perform miracle of building seven lakh houses in the urban area

without the slightest budgetary support of even a rupee...*(Interruptions)* Therefore, we have to invite the private sector participation in a big way and the details will have to be worked out when we actually embark on the process of construction. I cannot tell you the terms and conditions of every contract that we will enter into with every kind of a developer. It depends upon the area; it depends upon the town.

But I must tell you that the concentration is on building houses which are not bigger than 225 square feet which no rich man is going to occupy. They are all going to be for the poor people of this country...*(Interruptions)*...

[Translation]

SHRI RAJO SINGH: You have not given accommodation to M.Ps. till now. They are living on roads...*(Interruptions)*

MR. SPEAKER: It is not so.

[English]

Please take your seat.

...*(Interruptions)*

SHRI RAJESH PILOT: Mr. Speaker, sir, I must accept that my question is going to be beyond the scope of this question. But it arises out of the supplementary answer of the hon. Minister. So, I must express that it is beyond the scope.

SHRI RAM JETHMALANI: Normally I do not stand on these technicalities. Whatever information that is available with me, I will give it.

SHRI RAJESH PILOT: I must accept it. He is a competent Minister and he can answer that also.

Sir, the hon. Minister has said that he got Rs. 131 crore out of the budgetary allocation of the Ministry. But the development authorities under the Ministry of urban development are making crores and crores of rupees out of the interest on loan to the farmers. May I know from the hon. Minister, before he brings in a National Housing Policy on this issue, whether he would consider this: Whenever they acquire the land of the farmers, they take it at a throw away prices; but when they allot those plots, they allot them at a price which is hundred times more than the price at which they acquired from them; and they charge heavy amount from the citizens.

Will the hon. Minister make sure that they pay to the farmers the cost of the plot minus the development charges so that the farmers would also share the loot which the development authorities are doing on behalf of the farmers?

SHRI RAM JETHMALANI: Sir, my good friend started with an excellent promise that he would ask me a question which arises out of the main question. Now unfortunately he is asking me to trespass into the jurisdiction of the Minister for Rural Development. I am only a Minister for Urban Development...*(Interruptions)*

SHRI RAJESH PILOT: It is not coming under Rural Development. DDA is coming under him.

SHRI RAM JETHMALANI: Since he has made an allegation that crore of rupees are being made, I am almost inclined to plead guilty to the charge which he has levelled. It is true that there is a lot of corruption. The whole thing is a cess pool of corruption. But be sure that so long as I have the last bit of energy in me, I will try and deal with that state of corruption and clean it up...*(Interruptions)*

SHRI RAJESH PILOT: Sir, he misunderstood me. It is not corruption. It is the question of policy; he has to change the policy. ...*(Interruptions)*

MR. SPEAKER: Would you like to respond, Mr. Minister?

...*(Interruptions)*

PROF. P.J. KURIEN: We need your protection. The Minister has to reply to the question. Sir, you have to protect the Members and not the Minister. ...*(Interruptions)*

MR. SPEAKER: Please take your seat. I am protecting. At the same time, you also have to protect the Chair. Please take your seat.

...*(Interruptions)*

SHRI RAM JETHMALANI: I can assure him that whenever any land is taken from the farmers, adequate compensation is being paid and will be paid. Ultimately, that is a judicial function. The district Judge has to decide finally as to what compensation is to be paid. We are doing it under the Land Acquisition Act. ...*(Interruptions)*

SHRI MOTILAL VORA: But they are taking a lot of time to decide. They remain hanging in the courts of the District Magistrates for a long time.

SHRI RAM JETHMALANI: I entirely agree that judicial machinery is vitiated by delays. But please give me a little breathing time to do something about it.

[Translation]

SHRI LALU PRASAD: Mr. Speaker, Sir, the Hon'ble Minister has not yet formulated any clear Housing Policy. He has admitted that Hon'ble Prime Minister will announce housing policy at the earliest. Today, in the country the

problem is of those people who are living in jhuggi-jhonpris and slums in villages and towns. Only today, you have expressed your intention to introduce a bill relating to Urban Land ceiling, that means you want to protect land owners by removing ceiling. Thus the poor people living in cities and slum areas will move out of the cities. Whether you are going to make some arrangements for them in your policy? Your Department is giving funds for slum upgradation. Your Department is helping them by providing houses and other facilities. You have mentioned that 20 lakh houses will be given to poor people ...(*Interruptions*)

MR. SPEAKER: you ask question.

SHRI LALU PRASAD: You have mentioned in your Agenda that 20 lakh houses will be built for the poor people. Late Shri Rajiv Gandhi had launched one housing scheme which is now called as Indira Awas Yojana. Are 20 lakh houses for the poor which the hon'ble Minister is mentioning under that scheme. In order to help the countrymen in meeting their basic needs, whether the government...(*Interruptions*)

MR. SPEAKER: Lалуji, you please ask the question.

SHRI LALU PRASAD: I would like to ask for how long we will depend on foreigners? Whether only foreigners will construct houses here and provide basic facilities? What is your policy in this regard? Will you increase the number of houses being provided to people under Indira Awas Yojana and withdraw urban land ceiling Bill? Only then this government will be successful in getting houses constructed by giving funds to HUDCO or some other Agency for poor people. What is the intension of the government in this regard? You will depend on foreigners or depend on our countrymen?

[*English*]

SHRI RAM JETHMALANI: I hope the hon. Member will have the patience to hear a very brief answer to the very long question that he has asked.

First of all, I appreciate the hon. Member's concern for the poor people of this country but what I object to is that you claim the monopoly of concern for the poor people. I do not accept it. We are equally concerned and we are more concerned about them. ...(*Interruptions*)

SHRI P. SHIV SHANKER: Sir, this is not fair on his part ...(*Interruptions*)

SHRI RAM JETHMALANI: Secondly, we are all appreciative of the Indira Awas Yojana which had been started some years ago but the hon. Member should

know that uptill now, a sum of Rs. 1100 crore alone had been allocated to the Indira Awas Yojana.

It is totally inadequate for the purpose of solving the problem of the rural poor. But please given us the credit that for the first time we have reversed the trend. The trend was to decrease the contribution to Indira Awas Yojana. In this Budget, we have increased it from Rs. 1,100 crore to Rs. 1,600 crore. ...(*Interruptions*)

Let us answer the last part of your question. The last part of your question needs only one answer that if the poor man in this country has not got the benefit of what is intended for him, if the things, which are intended for him, have not trickled down into his pocket, the major problem of this country is corruption. ...(*Interruptions*). There are people who have swallowed the pills. We are doing our best to clean up the system and to see that every rupee that is meant for the poor person trickles into his pocket without a single paisa being stolen in the process of distribution.

MR. SPEAKER: Question No. 225. Shri Bhagwan Shankar Rawat.

... (*Interruptions*)

SHRI AJIT KUMAR PANJA: This is a very important issue. Therefore, let us have a discussion in the House.

MR. SPEAKER: If the House agrees, I have no objection for half-an-hour discussion.

SHRI AJIT KUMAR PANJA: Please take consensus of the House. Let there be a discussion. ...(*Interruptions*)

MR. SPEAKER: All right.

[*Translation*]

Decline in Passengers of I.A.

*225. SHRI BHAGWAN SHANKAR RAWAT: Will the Minister of CIVIL AVIATION be pleased to state;

(a) whether due to the emergence of air taxi operators, the number of passengers of Indian Airlines has declined sharply;

(b) if so, the facts thereof; and

(c) the remedial steps taken by the Government?

[*English*]

THE MINISTER OF CIVIL AVIATION (SHRI ANNANTH KUMAR) (a) to (c): A statement is laid on the Table of the Sabha.