

[Dr. Venkatesh Kabde]

industrial and other development of Marathwada is not possible. Therefore, it is requested that debentures may be floated not only for Manmad-Adilabad line as proposed by the Railway Minister but for all the above stated railway lines.

[Translation]

- (vii) **Need for payment of Hill compensatory allowance to Central Government and Public undertakings' Employees posted in Himachal Pradesh**

PROF. PREM KUMAR DHUMAL (Hamirpur): Mr. Deputy Speaker, Sir, there is great resentment among the employees of Central Government and Public Undertakings posted in Himachal Pradesh for non-payment of Hill Compensatory Allowance on the pattern of State Government, since the employees working in Central Government offices and Public undertakings in other states such as Sikkim and Rajasthan are enjoying such benefits on the pattern of the State Government they are getting H.C.A. in Sikkim and Border Allowance in Rajasthan.

In this regard, several organisations of these employees working in Himachal Pradesh have expressed their resentment in the meetings organised by them and through various other means that being the hill area, they have to spend much more on the maintenance of their families.

Generally it has been observed till now that it were the State Government's employees asking for the pay and allowances on the pattern of Central Government, but in this case Central Government employees are asking for payment of allowances on the pattern of State Government.

Keeping in view the above, I urge the Government to grant H.C.A. immediately to the employees of Central Government and public undertakings posted in Himachal on the pattern of Himachal Government, so that

the prevailing resentment among the employees could be removed.

12.50 hrs.

DEMANDS FOR GRANTS (GENERAL),  
1990-91

**Ministry of Industry—Contd.**

[English]

MR. DEPUTY-SPEAKER: Now, we take up discussion on the Demands of the Ministry of Industry.

THE MINISTER OF INFORMATION AND BROADCASTING AND MINISTER OF PARLIAMENTARY AFFAIRS (SHRI P. UPENDRA): Sir, the Minister of Industry will reply at 4 o'clock and we can take the vote immediately thereafter.

MR. DEPUTY-SPEAKER: We have time for 1 O'Clock till 4.30 PM.

SHRI P. UPENDRA: The hon. Minister would reply at 4.30 PM.

MR. DEPUTY-SPEAKER: Yes. Now Shri M. Arunachalam will speak.

SHRI M. ARUNACHALAM (Tenkasi): Mr. Deputy-Speaker, Sir, Let me begin as a former Member of the Council of Ministers who looked after Industry Ministry by wishing Shri Ajit Singh well in his assignment. He has an excellent foundation to build on. The question is, will he be able to? before I comment on it based on whatever little has been done by him during the last four months, let me take this opportunity to mention a few points.

As the Annual Administrative Report for 1989-90 asserts, industrial growth in the first four years of the Plan exceeded Plan targets. 1989-90 saw in the first four months some signs of sluggishness. Our efforts to put the growth back on the rapid growth path

succeeded as the subsequent index figures for July to November show. We have visualised the manufacturing scene in the year 2000 would be qualitatively quite different from what is today. Our leader Shri Rajiv Gandhi has directed us to re-adjust, re-equip and re-tool for accelerated growth by our new strategies. We have taken that into our view. That is all our achievement. But what is it that the new Government has done during the last four months? With the greatest goodwill, I have tried to find what the strategy of the new Government is. I am sorry to say that I have drawn a blank.

There has been a lot of noise but no action. There is a proverb in Tamil which says an half-filled vessel makes the most noise. I am only reminded of that proverb. Let me take first the oft-repeated claim of the new Government. We are rejecting the trickle down theory—well, that never was our theory. What is there to reject, I do not know. We are restructuring the economy. Well, so far they have restructured the Planning Commission with 10, 12 or 20 Members what is it, Sir. Three Members handling Industry and squabbling among themselves as to who handles what portion of Industry. That is all the so-called restructuring has so far been, as far as I can see. The poor Minister himself has none to assist him in 'running'—and he has not 'run' it—an important Ministry. The Deputy Prime Minister thought he was so busy that he needed another person to help him in drafting some party meeting minutes. It is none of our concern, Sir. But the Prime Minister does not think it necessary to give him some assistance. The result has been complete lack of decision, cohesion and coordination. Chaos or Mayhem is the word, for the way the Ministry is being run. Let me give you an example. With a lot of fanfare it was announced "We are giving emphasis to small-scale industry." A new Department is being created. A Secretary's post is being created. Sir, it is all bluff, if I may say so. As far as I know, no Department has been created till last week. The matter is still being debated. One officer has joined in the rank of a Secretary. That is all. On the contrary, the post of Development Commissioner for Small Scale Industries remains unfilled, four months

after this Government has taken over. My information is that no work is taking place on the Small-Scale side and I suspect, Sir, the hon. Minister busy as he is with party affairs is totally innocent of this fact.

Well Sir, they say they are going to have an employment-oriented strategy; and they lay emphasis on Khadi and Village Industries. I had the privilege of piloting a major amendment Bill of Khadi and Village Industries Commission Act a couple of years ago. Last year, the plan allocation was increased from Rs. 125 crores to Rs. 175 crores—a 40 per cent increase. We added 70-80 new industries to the list. We said that the Members should have experience in Khadi and Village Industries and they should have a five year tenure and be kept out of party politics. What have they done? Just as they have got rid of the Governors, they have got rid of the members of the Commission and appointed new members who have no experience at all in this field. Is it a rationale act? Is this how they handle the long-term development programme of the country? Please see the meagre increase they have given to this sector, this year. Is this an emphasis on employment?

Sir, public memory is very short. But some may remember that the Janata Dal Party, before elections, said that they would reduce salt price, if they came to power. Well, Sir, I had personally passed orders that iodised salt should be sold at Rs. 1.50 per kilo. I would like to know from the hon. Minister as to what he has done to implement not my decision, but his own party's promise. What is the word, Sir? Humbug, if it is parliamentary and that is all I can say.

In four months, I have not seen one major policy announcement or decision. There has been a total lack of coherent policy approach. I will not use the word 'dynamism', for this Government is a far cry from that. Whether it is village industry, small-scale industry or large scale industry, there is no thinking. And whatever foundation we built, I see no attempt to build any structure on it.

[Sh. M. Arunachalam]

13.00 hrs.

Sir, I speak with no animus. I feel only frustrated. I am sorry to say so but whatever little I have seen so far makes me feel that our people are being taken for a ride.

Before I conclude, I must refer to setting up of new growth centres. The Administration Report says the matter is being reviewed. It is a very important part of our strategy to develop backward areas. How long will they take to review it? I do not know. They say they are going to develop backward areas and re-introduce the incentive scheme for small-scale industries. When are they going to do it? After five years, they will not be there. Meanwhile, they have abolished, if I am not wrong, the income-tax incentive for backward areas. I really wonder, if the Minister is aware of what is happening or is he also being taken for a ride, by his colleague, the Finance Minister?

As you are well aware, the public sector has a dominant role to play on the industrial set up to the country's economy. It will be the pace-setter of the industrial growth. It is expected to generate sizeable resources. Is there any thinking by the Industry Minister to diminish the public sector role by his American experience in privatisation policies? What the Minister of Industry is doing to achieve the accelerated growth in industrial output? No doubt, the Minister for Industry is busy. The Minister is also busy. It reminds me of an anecdote in the tribes of Nilgiri Hills. When there is no rain, the tribal chief used to dance to invoke the rain God. Even then if the rain does not come, the tribal people will be satisfied that their leader is attempting and doing something to please the rain God.

To conclude, I see no evidence of any thinking, let alone action. They think they can muddle along and people will not notice. I am afraid it won't do.

MR. DEPUTY-SPEAKER: Now a Statement by the hon. Home Minister.

#### STATEMENT BY MINISTER

#### **Bomb explosion on a bus at Prembari Pul, Ring Road, Delhi on 13.4.1990**

[English]

THE MINISTER OF HOME AFFAIRS (SHRI MUFTI MOHAMMAD SAYEED): Sir, I wish to apprise the Hon'ble Members of this august House about the most unfortunate incident of an explosion in a bus near Prembari Pul on Ring Road in the area of PS Saraswati Vihar on the evening of 13th April, 1990.

On 13.4.1990 around 7.00 P.M. when a private bus No. DEP 1217 was going from Azadpur to Lajpat Nagar, an explosion in the bus took place near Prembari Pul on Ring Road. The officials of the Delhi Police reached the spot within minutes of the incident. The Fire Brigade, Crime Team and the Bomb Squad staff also reached the spot. The bus was badly damaged. The explosion had taken place on the right side near the middle of the bus. The seats of the bus where the explosion had taken place had been thrown out and a hole was created in the under-carriage of the bus. A Maruti Gypsy No. DNJ-3459 which was going along side the bus also caught fire. The injured were removed to the hospital and the fire was extinguished by the Fire Brigade. The entire area was cordoned off.

Four persons died as a result of the explosion on the spot and two persons succumbed to the injuries after being admitted to hospital. Fifty-one other persons sustained injuries, and thirteen of them are serious in nature.

On examination of witnesses, it was revealed that the bus had started from Azadpur at about 18.50 hrs. While on its way to Lajpat Nagar it had stopped at 4 places on the way, the last being Prembari Pul. The bus had stopped at the "T" junction red light and as soon as the light turned

green and it started to move, the explosion took place.

Preliminary investigation reveal that a high explosive similar to the one used in the Rajouri Garden and Tilak Nagar Police Stations had been used. The explosive might have weighed about 1 to 2 kgs. and could have been kept in a small packet under one of the seats. The bomb appears to have been fitted with a timer device. Splinters comprising bits of iron rods appear to have been used.

A case FIR No. 162 dated 13.4.90 u/a 302/307/427/120-D IPC and Section 3 and 4 of the Explosive Substances Act and Sections 3 and 4 of the TADA Act has been registered at PS Saraswati Vihar, Delhi.

I held a meeting of senior officials of the Home Ministry and Delhi Administration, including Delhi Police to review the situation. Instructions have been issued to all concerned to tighten up security in the Capital. As I have stated earlier, a general alert has been sounded throughout Delhi. Special surveillance is being maintained in public places like railway Stations, Airport, Cinema Halls, Bus terminals and busy market areas. On buses in particulars special steps are being made through notices and announcements to alert the passenger about unclaimed packets etc. lying under the seats and security arrangements have been strengthened to check out the buses at depots before being put into service on various routes.

Lt Governor, Delhi has announced ex-gratia payment of Rs. 50,000/- each to the next of kin of those killed, Rs. 10,000/- each in the case of those seriously injured and Rs. 3,000/- each in the case of those who received minor injuries.

I request the Hon'ble Members to join me in condemning this reprehensible act of cowardice on the part of anti-national elements which has caused the loss of lives of innocent people. I would also request the Hon'ble Members to join me in conveying the

deepest sympathies to the bereaved families.

[*Translation*]

SHRI J.P. AGARWAL (Chandni Chowk): Mr. Deputy Speaker, Sir, I would like to know from the hon. Minister of Home Affairs as to what his intelligence agency was doing? (*Interruptions*)

SHRI MADAN LAL KHURANA (South Delhi): Mr. Deputy Speaker, Sir, there were intelligence reports that terrorists from Kashmir and Punjab have sneaked into the capital. The Delhi police was forewarned by them but it is regrettable that no precautionary measures were taken. Responsibility must be fixed on somebody for this lapse.

[*English*]

SHRI NIRMAL KANTI CHATTERJEE (Dumdum): Security measures are important; but intelligence reports are equally important. I want to raise this question. (*Interruptions*)

MR. SPEAKER: We do not allow it here.

[*Translation*]

SHRI J.P. AGARWAL: After the incident they say that they are investigating into it. Is it possible to check each and every person? Bomb blasts have taken place also in police station in Delhi.

(*Interruptions*)

[*English*]

MR. DEPUTY-SPEAKER: OK, you have made your point.

PROF. RAMGANESH KAPSE (Thane): There was a similar explosion at Malwa Station. I want to know whether there is any connection between the Delhi blast and the Pune incident.

MR DEPUTY-SPEAKER We don't allow it here

*(Interruptions)*

*[Translation]*

SHRI MADAN LAL KHURANA Last week bomb blasts took place in Rajouri Garden and Tilak Nagar police stations. Some officers came to me and told me that they had information about the terrorists sneaking into the capital. When officers say that terrorists have sneaked into the capital, why did you not take any timely action? What the hon. Minister of Home Affairs said here has already appeared in the newspapers also.

*[English]*

SHRI SAIFUDDIN CHOUDHARY (Katwa) These two incidents of bomb blasts inside the Thana have created grave suspicion in the minds of the people. I think there should be public enquiry as to who are behind it. I want to know whether the Government would agree to it. How did the blast take place inside the Thana? It is a very serious matter. Will he agree for a public enquiry? We have to be very alert.

*[Translation]*

SHRI J P AGARWAL Is mere reading out a statement enough? *(Interruptions)*

SHRI HARISH RAWAT (Almora) Mr Deputy Speaker, Sir, when such incidents take place in a row it gives semblance that these incidents are pre-planned. I would like to request that the House should hold a discussion on this subject some day.

SHRI MADAN LAL KHURANA Were there any intelligence reports or not that terrorists from Kashmir and Punjab had sneaked into the capital? If so, what action did you take? How long will we continue to hear about such incidents?

*[English]*

MR DEPUTY-SPEAKER Okay, you have made your point. Shri Ishwar Chaudhary to speak.

13.10 hrs.

DEMANDS FOR GRANTS (GENERAL),  
1990-91

**Ministry of Industry—Contd.**

*[Translation]*

SHRI ISHWAR CHOUDHARY (Gaya) Mr Speaker, Sir, I rise to express my views on the Demands for Grants of the Ministry of Industry. I am thankful to you for providing me time to speak. *(Interruptions)*

Mr Deputy Speaker, Sir, as compared to other countries India is an industrially backward country and so far as Bihar is concerned it is the most industrially backward State. As such, the Government should feel the necessity of setting up of industries in the State.

The country we live in is predominantly an agriculture country. Due to lack of proper attention to agriculture, people in their thousands are migrating to cities. In order to check the exodus of people to cities, steps should be taken to construct roads and provide water and electricity in the village so that people could get the opportunity of setting up of small scale industries in the villages itself. Due to lack of these infrastructural facilities, people are migrating from villages to cities. Though the Government is aware of this problem, yet no steps are being taken to check it. This is the reason why our country has become economically very backward, particularly in the matter of setting up of small scale units. It is very essential to extend assistance in the form of capital to small scale units. Due to lack of capital and financial assistance, a number of proposals of small scale units are pending. I request that

requisite clearance should be given to small scale units proposed to be set up in Bihar. As a matter of fact, Bihar is very rich in mineral deposits. Raw materials are available in abundance. These raw materials are being transported to other places from Bihar for manufacturing finished goods. This is the reason why Bihar still suffers from poverty. Will the hon. Minister of Industry please try to ascertain the reasons as to why Bihar, as compared to other States, lies below the poverty line though it has abundant natural resources? In view of the above situation, I want that all the industries to be set up in Bihar by the Centre but have not so far been set up should be set up in the State without any further delay. During the last 42 years, no industry has been set up in Gaya, the constituency I represent. The few industries such as the Gaya Cotton Mill, Guraru Sugar Mill, which were functioning in the area, have become sick. Today their condition is very deplorable. Thousands of labourers working in these mills are living in a very pitiable condition. The Dehri-on-Sone and the Rohtas Groups of Industries in the area are lying closed for several years. There was a time when about 15-20 thousand labourers used to work in these industries. These industries used to produce vanaspati ghee, cement, paper and other such items. But today people are living in such an acute poverty that some of them have to sell their honour and some of them have committed suicide. I would like that the hon. Minister should throw some light on this problem in his reply and he must pay attention to the deplorable condition of industries in our area. It has been one of our long standing demands. The Bharatiya Janata Party as well as the Government of Bihar also drew the attention of the Central Government to the above problem. I would like that the hon. Minister must pay his attention to it. As I have already pointed out that Bihar is rich in natural resources. But why Bihar is becoming poorer and poorer day by day? The previous Government did not pay attention to it. In 1970-71, Bihar occupied 4th position, which was later relegated to 34th in terms of progress. If the present Government also did not pay proper attention to its development, Bihar cannot regain its lost

position. I want that the hon. Minister should depute a study team comprising of the representatives of the Central Government, the State Government and the people from private sector having requisite experience, to Bihar to assess the potentials available in the State. The Small Scale Industries in the State have been ruined due to shortage of electricity. So is the case with the heavy industries which have been closed due to shortage of power. The Central Government should impress upon the State Government to remove the shortage of all these inputs. Today the State Government of Bihar is in need of financial assistance but the Central policy is not that liberal in respect of Bihar. This is the reason why despite possessing all potentials Bihar is not able to mobilise required finance. The problem of unemployment has become acute in Bihar. This gives birth to extremism. May I know whether the Government ever proposed to solve this problem instantly. In view of the all the aforesaid problems, the Government should take immediate steps in this regard.

In our country, the multi-national companies are being invited to set up industries. Instead of this, small companies should be invited to set up small industries and they should be encouraged. In our country the growth of small scale industries is as good as nil and the few such industries existent now are running on their own strength. These industries are also not economically viable and are sick. Due to that, unemployment is increasing in the country. We invite giant cold drink manufacturing units. But I would like to know if there are any guidelines to set up small scale industries? Of course, some areas have been exclusively reserved for small scale industries. The heavy industries have been prohibited to produce those items. This matter needs to be reconsidered. In practice, it is quite the opposite. The big industries are crushing small scale industries. In our country the small scale industries take up production on individual basis and due to that poverty continues to hunt our society as usual. Mahatma Gandhi had given much encouragement to palm industry and included it in the list of cottage industries. On

[Sh. Ishwar Choudhary]

the contrary, the Government of Bihar imposed tax on the palm juice which is used for making candy sugar and 'gur'. A particular section of the Harijan community are engaged in this occupation. The State Government imposed tree tax on this trade and made it a source of its income. I would like to urge upon the hon. Minister that in order to give encouragement to this small scale industry, the tree tax should be withdrawn immediately. Stringent measures should be taken if the tree-tax is not waived particularly in this regard.

Thermal Power Station in Patratu and Barauni are in pitiable condition. Their production capacity is decreasing day by day. I would like to know the reasons as to why our industries become sick? The reasons should be identified and remedial measures should be taken. In our area, industries are mostly dependent on power. Therefore for the development of industries, it is necessary for the Government to pay attention towards these thermal power stations. The small scale industries are on the verge of closure, so instead of setting up big industries, small scale industries should be encouraged and wherever heavy industries are necessary, they should also be set up. The main reason behind the closure of small scale industries is the non-availability of loans in time. The major reason which came in light for the sickness and slackness in the industries, is the delay in the payment of sanctioned loans by the Banks. I would request the Government to pay special attention towards it. There is one more reason and that is non-compliance of the guidelines of the Bureau of Public Enterprises by the big industries. The attitude of Bokaro Steel city, BCCL-Dhanbad, Tata Industries Group, HEC-Ranchi, Indian Oil Refinery-Barauni is not liberal. Will the hon. Minister send a study team to Bihar to study the shortcomings of the State and Central Government Undertakings and Private Sector Groups?

I would like to say that we have a young Industry Minister and we have high hopes

from the Janata Dal Government. The poverty of Bihar is known to all and it is because the natural resources and mineral wealth of the State are not being processed there as a result of which poverty is increasing there. Therefore, I would request the Government that as a poverty alleviation measure, industries should be set up there. We have been demanding it since the fifth and sixth Lok Sabha and all Members of Parliament from Bihar are worried about it. The Government should go deep into this problem and know the factual position.

With these words, I thank you, Sir, for allotting me time to speak and once again would like to request the hon. Industry Minister to pay special attention towards Gaya. Whatever Government have decided to do for the development of Gaya, is good but in addition to that the Industry Minister should also think about the setting up of new industries there.

[English]

SHRI MURLI DEORA (Bombay South): Mr. Deputy Speaker, Sir, the biggest problem which the country is facing today is massive unemployment, whether it is rural or urban area. According to a recent survey by ILO, the growth of labour force in our country during 1980-2000 will be 110 million young people between the age group of 15 to 29 compared to 69 million people in the earlier 20 years of 1960-80. So, the Government has rightly realised that the biggest problem that we have is unemployment and we have to create employment all over the country. This can only be achieved if we follow a proper liberal industrial policy as well as liberal fiscal policy. Recently, economists have forecasted that in the coming year, there will be lesser growth in GNP. I hope that the Government is very serious about it and will try to do everything possible to see that the speed of industrialisation in our country does not suffer. The liberal industrial policy coupled with a proper fiscal policy helps in more production. I would like to give a small example in this regard to the hon. Minister. For example, consider cement. We

were producing 19 to 20 million tonnes of cement ten years back. The price of cement was Rs. 60 per bag and officially, it was Rs. 18 to Rs. 19 per bag. The Government took a very bold step by allowing companies under MRTP, large industrial houses, FERA, companies etc. to manufacture cement. They delicensed the manufacture of cement. For one million tonne of cement production, you need Rs. 130 crores. You do not expect the small scale, and medium scale sector to produce cement. So, the Government allowed big companies to manufacture cement. It removed control on price also. As a result, today, in less than ten years, the production of cement has gone to 44 to 45 million tonnes. It is more than double or more than 100 per cent. And the revenue is also very satisfactory. In 1980-81, we were collecting less than Rs. 160 crores on excise duty of cement and today, the Budget estimates are more than Rs. 1085 crores. Due to a proper industrial and fiscal policy, the shortage of cement is eliminated, the import of cement is abolished, there is no out-go of foreign exchange and no shortage of production. We have more cement and you are getting more revenue.

SHRI HARISH RAWAT: In spite of all these, prices are going up. (*Interruptions*)

SHRI MURLIDEORA: Now, the price is Rs. 70 to Rs. 80 per bag. It is better if Rs. 80 to Rs. 90 goes to the coffers of industry rather than going to the black market. At least, the person is paying tax and putting back that money for production. What I am trying to say is that there is no control. There was no restriction on cement. This is the state of affairs today. You are going to announce the new industrial policy. I would like to urge upon the Minister to come out with the view that every industry in India must be allowed to manufacture cement, whether it is small scale, medium scale or large scale sector, whether it is FERA or non-FERA company, whether it is under MRTP or non-MRTP. I was earlier a Member of the Company Law Advisory Board which is in your department. I remember that everything that they were doing was to harp and create an

handicap for production far as industries are concerned. I do not know why they did that. We must try to give a boost to industries which are manufacturing more than their licensing capacities rather than putting more and more restrictions on them.

Another big factor which is bothering our economy is restriction of resources available. Currently, a debate is going on in our country as to how the Government is to come up with its new policy on foreign investment. The hon. Minister, the Prime Minister, the Finance Minister and Mr. George Fernandes addressed a seminar last week in Delhi organised by World Economic Forum. I am sure, the hon. Minister knows what he faced there. The Prime Minister said that the Centre was preparing a list for foreign investment. There is an editorial today, Mr. Minister, on your remarks, in the Times of India. There was an editorial some days back in the Financial Express where you were supposed to have said that against 100 or 150 million dollars per year foreign investment, which is coming in our country, you are presuming nearly one billion dollars. That is good and I am not against that. What I am trying to say is that the time has come when the Government must give clear-cut signals to the foreign investors. The Prime Minister said that those who are holding forty or less than forty per cent equity, they would not have any problem. Prof. Dandavate said that we still would have a selective list. Shri George Fernandes says in the same meeting that we do not want any foreign investment. Mr. Minister, you said that you are presuming to get one billion dollars, ten-fold increase than what we are getting today. What signals are you giving to the people? What are you telling the foreign investors, whether you are allowing them or not?

What is happening in Indonesia and Thailand? There the foreign investment is twenty or twenty-five times more than what we are getting; it is four billion dollars a year. In India, the total foreign investment in the last twenty-five years is not even 1.8 billion dollars. I know that you are trying your best to see that more and more investment comes.

[Sh. Murlidhar Deora]

What are they doing in Indonesia? Instead of preparing a list where you will allow them, it is better to prepare a list where you will not allow them. Select a list of 10-15 items where you do not want the foreign investors, and there nobody will come, and then you allow everyone in other areas whether they have forty per cent equity or more equity. In any international forum, the Finance Ministers or the Industry Ministers of different countries, specially the developing countries like ours, come there, you did not go to the same economist forum programme, but your other colleague went. He will tell you, how the Finance Ministers and the Prime Ministers of the developing countries themselves come to attract foreign investment. In our country, we do not know what is bothering us. What these entrepreneurs and the so-called multinationals can do to us. We have several powers under MRTP, Department of Company Affairs etc. which will see that they cannot exploit our country. I do not want to read the editorials, but I would like to make you one request. After the four hon. Ministers made their speeches at one singular forum, a lot of confusion has been created. This was in Delhi last week. You have tried to remove that when you were in Bombay yesterday and addressed two meetings. You are in charge of this Department, and I would like you to come out with definite programme to say in what area you will allow the foreign investment, up to what per centage of equity they can hold, whether it would be allowed in the selected areas or non-selected areas, what technology transfer you will allow them, whether there would be any problem, what would be the investment restrictions and so on. These points should be cleared so that the confusion is removed.

Under your Ministry, the Department of Public Sector Enterprises is there. Although there are several big public sector bodies like the ONGC, Oil India Ltd. etc., but they are not under the Department of Public Sector Enterprises. Off and on, several economists all over the world have also given their opinion on this. Specially, in view of what we see

happening in the East European countries, even in Russia, there is a trend to regulate the Government investment. You know very well that it is not possible for the Government even to get a minimum ten per cent return from the investment which we are making in our public sector enterprises. I would request the Minister to consider one point. I am not saying privatization, but ten per cent of the holdings of the public sector undertakings may be allowed to be diluted, to be purchased by the general public. There can be a restriction that not more than so many shares can be purchased by one person or by one family, so that there is no danger of any take-over. This will really give a good amount of resources to the ailing public sector undertakings. On the one said, all the reports presented on the public sector enterprises by different Ministries they have said that none of the enterprises are doing very well, on the other hand they are expanding. But still they are expanding. So, let the Private sector expand more and more, let them manage their affairs more and more and we should confine ourselves only to the infrastructure like tele-communication, railways power etc.

When we talk of employment, I would like to remind the hon. Minister as to what BIFR is doing. This department was created with the idea to help sick units—to take over the sick units—to help the entrepreneurs and to see that the same people who were working there are restored. But unfortunately, this department has got very negative features. There are so many complaints about the fact that instead of helping the sick units to stabilise, they are creating so many hurdles for them. I would request the Minister—if the Government is really serious to propagate their slogans like Right to Work which it want to safeguard in the Constitution of our country—to see that more and more industrialisation, be it in private sector or in public sector, is adhered to.

[Translation]

SHRI PRAHLAD SINGH PATEL  
(Seoni): Mr. Deputy Speaker, Sir, I rise to

express my views on the Demands for Grants of the Ministry of Industry. Sir, it is a fact that all the matters relating to the Ministry of Industry are closely linked with the employment generation also. Our Industrial policy should be as per our party's election manifesto and also keeping in view the prevailing conditions in our country. We want to benefit all the sections of the society including the downtrodden and for that we should make our industrial policy employment oriented. And perhaps we rise to express ourselves in the House for the formulation of such employment oriented policy only.

Mr. Deputy Speaker, Sir, I would like to say that the items of mass consumption should be allowed to be manufactured by the small scale industries only and multinational companies should be prohibited to produce such items. There should be a clear cut demarcation of the items to be manufactured by the Multinational companies and by the small scale industries. I would like to submit to the hon. Industry Minister that the area of production should be clearly demarcated, so that no one can establish monopoly and the increasing disparity in the society could be checked. We would certainly succeed in bringing about a balanced economic system in the country.

I would like to say that the area which I represent is industrially backward whereas the natural resources like manganese, coal, etc. are available there in abundance. In respect of human resource also, Madhya Pradesh is not only self reliant but far better than other areas of the country. But unfortunately, wrong policies have been followed there as a result of which our entire society has remained backward and exploited. I would like to cite an example. In Balaghat district copper and manganese are found in abundance and certainly 20 truck load of copper is exploited from there every day and sent to smelting plant Khetri. The Government pays Rs. two to three lakhs every day to the truck owners for transportations. If a smelting plant is set up in Balaghat itself it would save lot of money.

The Government have spent crores of rupees on transportation. Had this amount been invested on setting up a smelting plant there itself, the Government would have certainly saved money. With this amount many factories could have been set up there where the people of that district could get employment opportunities. It is simply wastage of money. I would like to draw your attention particularly towards the Mandla district. We have been misusing the reserve areas be it a Scheduled Castes or Scheduled Tribes area. I would like to know from the hon. Minister as to who is responsible for this? I would also like to draw the attention of the Opposition Members that Mandla is an Adivasi dominated area and 90 per cent of its population is Adivasis. Industries are set up there for the benefit of the Adivasis. A Growth Centre has been set up there with a view to benefit the Adivasi but that is located about six km. away from Jabalpur on the outskirts as a result of which Adivasis can not get benefit. Perhaps the Member who was representing the area at that time did not pay attention towards this fact. There was certainly some mistake on the part of administration and so this mistake should be rectified. The growth Centre has been set up by the Government with the intention of benefiting the Adivasis but benefits did not reach them. In Seoni district many big industries are openly violating the laws. They are not following any law in the name of environment. Tax arrears to the tune of Rs. 2500 crores is due to these factories. And in spite of that their licences are being renewed. I had objected to one such incident. The distillery was closed for four days but on fifth day its licence was renewed on the pretext that the shortcomings would be taken into consideration and the officers responsible for it would be punished. Will the Government impose restrictions on the powers of such officers and public representatives so that it may not recur in future? The Members of Parliament have to raise matters in the House that the actual benefits of the schemes meant for the Adivasis are not reaching them and that breeds corruption. Therefore, I would like to ask the hon. Minister whether the Government would resort to tough

[Sh Prahlad Singh Patel]

measures in such cases of violation of laws so that the involvement of the public representative could be checked in such matters. We talk about the small scale industries. In my opinion the small scale industries should be given priority. Though the Government is going to formulate policy in this regard but our experience in Madhya Pradesh is that 32 per cent of small scale units are sick. Under the Gwalior Growth Centre 70 per cent of small scale industries are sick. The main reason of sickness of these units is the delay in grant of subsidy by one to one and half years. The young entrepreneurs having sound financial background can somehow manage to run the industry but the poor entrepreneurs have to repay the amount of subsidy to bank in the form of interest and instalment on the capital amount. If any unemployed or poor person suffers due to any Administrator or the Bank officers why he should be held responsible for that. Therefore I would like to ask as to what steps Government is going to take to check such things so that the small scale industry could be given priority and we may establish balanced economic system in the country. We formulate policies keeping in view our national interests, but they are not properly implemented by the Administration. Therefore, I would request the hon. Industry Minister that we should make more efforts for the proper implementation of our policies. In this regard I would like to know from the hon. Industry Minister as to what kind of changes is he contemplating to bring about in our Administrative structure?

With these words, I support the Demands for Grants of the Ministry of Industry and conclude my speech.

**SHRI CHHEDI PASWAN** (Sasaram) Mr Deputy Speaker Sir, I rise to support the Demands for Grants presented by the hon. Minister. I would like to draw the attention of the hon. Minister towards the State of Bihar which is industrially backward despite its immense natural wealth. This is due to the

wrong policies pursued by the previous Government.

Mr Deputy Speaker, Sir, a factory belonging to the Dalmia group has remained closed in my constituency, since 1984 as a result of which about 20,000 workers, especially, their dependent families are on the verge of starvation. With a sense of shame, I would like to state here that the womenfolk (mothers and sisters) of those families have been compelled to take to the flesh trade. Therefore, in the strongest possible terms, I urge that the Dalmia factory be opened immediately. Apart from this, I would like to say that the objective of the industrial policy formulated by Pandit Jawaharlal Nehru was appropriate to some extent, but its another objective was that the large-scale industries should purchase parts and components from the small scale industries. But instead of doing so the large scale industries have been importing these components, as a result of which the closing down of small scale, units has become a regular feature. Mr Speaker Sir, there is a saying that every big fish eats small fishes. Our industrial policy too has been pursued on similar lines. It would have been fair and just on the part of large scale industries to help the small scale industries, but unfortunately, the reality is just the other way round. Moreover, whenever these big units purchase good from the small units, they do not make timely payments. The Government should give a serious thought to it so that the small scale industrialists could also prosper.

Mr Deputy Speaker, Sir while on the one hand the large scale industries place bulk orders with the small scale units, but on the other hand, they make delays in taking the delivery of goods or they reject the manufactured goods. As a result the small scale units face an economic crisis and they are forced to stock those undelivered goods. The Government should pay attention towards this aspect also. It has been observed that on the one hand, various schemes and plans are announced on the paper, for the development of small scale and cottage industries but on the other hand, Govern-

ment officials and financial institutions treat them indifferently. Almost everyday, we find advertisements in the newspapers regarding the sale of one or the other small scale unit. I would like to know the Government as to why advertisements regarding scale of large scale units do not appear in the newspapers? The most important reason for this is the wrong industrial policy being pursued by the Government. When the hon. Minister replies to the debate, I would like him to outline the industrial policy of our Government. You would be surprised to know that the Governor of the Reserve Bank of India has said in a statement that the big capitalists have arrears worth Rs. fifty thousand crore outstanding against them, which they had taken from our financial institutions like IFCI, IDBI, I.C.I.C.I. Despite the fact that arrears amounting to Rs. fifty thousand crores are outstanding against the big industrialists, how is it that only the small units and not the big units are getting closed? Why is it that only the small factories are forced to close down? Mr. Deputy Speaker, Sir, I have been observing that about Rs. one crore of loan of the big industrialists is being waived everyday with the active collusion of the IFCI, IDBI, I.C.I.C.I. and this information is not disclosed to anybody in the name of official secrecy. Thus, in the name of secrecy, crores of rupees are being bungled with the active connivance of the big industrialists and the financial institutions. The Government should give a serious thought to this issue also. If the large scale industries become sick, there are schemes under which many facilities are provided so that these industries may get revived. These facilities include reduction in the interest rates, waiver of penalty and compound interest, long term loans to be repaid in easy instalments and even there is a provision at the central level for waiving the current loan and the principal provided company recoups its health. Some guidelines have also been issued in this regard, but unfortunately no such guidelines regarding small scale industries have been formulated. Therefore, I urge the Government to consider it seriously.

Lastly, I would like to strongly urge the

hon. Minister to immediately order opening of the Dalmia Cement Factory in our area, which has remained closed for the past many years. Further, I consider the loan amount of Rs. 25 thousand or 35 thousand given to the educated unemployed for setting up small-scale industries too inadequate in the present situation and, therefore, I request that the amount should be increased to a minimum at Rs. one lakh. Mr. Deputy Speaker, Sir, with these words, I support the Demands for Grants of the Ministry of Industry and thank you for giving me an opportunity of speak.

SHRI MITRA SEN YADAV (Faizabad):  
Mr. Deputy Speaker, Sir, I am grateful to you for giving me an opportunity to speak on such an important subject like the Demand for Grants of the Ministry of Industry. Sir, our industrial policy has been such that our growth rate has fallen steeply. The most important reason for it is that we have been giving undue opportunities to foreign companies to do business in our country, as a result, of which, they have not only earned maximum profits, but they have also put our economy in the doldrums. Due to the entry of foreign companies, not only our economic condition has been upset, but even impediments have been created in the way of stability of the country. It is due to this reason that an atmosphere of unrest has developed in the country, terrorist and naxalite activities have increased and the problem of unemployment has gone on increasing. As a result of following this very policy, many countries of the world became victims of these problems. The example of Chile is before us. Many other countries too have been harmed due to the entry of foreign companies. No country can escape from disorder in its internal situation, if multinationals are allowed entry and if their business grows. Our country too has been similarly affected. It has been observed that about ninety percent of our wealth has been given away to foreign companies in the form of loans, with the help of which they established large scale industries in this country and then they exploited and exhausted it to such an extent that after some time, those industrial units came in the cate-

[Sh. Mitra Sen Yadav]

gory of sick units. They diverted the profits so earned to other states and other countries and established new industries over there. These industries, which were set up with the help of ninety percent of our money, which we gave to the foreign companies in the form of loans, failed to provide employment to our unemployed youth, because following these units becoming sick, those employed become the victims and then they did not get employment anywhere else. In this manner, every year, lakhs of people are becoming victims as a result of industries becoming sick and the number of such jobless people is on the increase. The Government has paid scant attention towards this situation and despite enactment of law, there has been no effective control.

As such, our Government has declared that it proposes to ensure labour participation in management, but we have not seen it in practice anywhere in the country. Hon. Minister, is perhaps busy talking at the moment. This is a serious issue on which he should pay attention. There is a public sector unit by the name of Scooters India in Lucknow. The factory set up at a cost of billions of rupees was sold by the previous Government to an industrialist named, Shri Rahul Bajaj, for a few crores of rupees. The hon. Minister may be having more information about it and he might have got an opportunity to visit the factory also, but it is a fact that thousands of its workers have made a commitment in writing that they are ready to make good the losses of this unit and that they are ready to operate it on profitable basis provided that the workers are given participation in its management. To date no attention has been paid to that demand, no action has been taken by the Government in that regard, as a result of which workers of the factory are on the path of agitation and, thus, are on the verge of starvation. Although, our Government talks of bringing about labour participation in Management, I wonder why it is hesitating to make them participants in the management when they themselves are demanding the same from

you and have given it in writing to you? It is a large scale unit in the Public Sector and it is there before you as an example. Our industrial policy has always given encouragement to foreign companies which in turn made enormous profits, looted the country and in the process unemployment has increased. This is the reason for the continuous decline in our growth rate. These industries, which were set up by the foreign companies were engaged in the production of such luxury items like television sets, cars and a host of other things, which are generally used by the rich who constitute hardly five percent of our population. The common man in the country is not even distantly concerned with it. Sir, my view is that encouragement should now be given to small-scale industries. I am aware that our present Government is laying a lot of emphasis on it and is making efforts in that direction, but I would like to tell the Government that the small industries would be successful only if the Government provides them with incentives. The interest of the small scale industries lies in allowing them to produce those items which are today monopolised by the big industries, otherwise the small industries would not be able to compete with the large scale industries and, thus, they would not survive. Therefore, the large scale industries should be restrained from producing those items which are produced by the small industries. You should see to it that the large scale industries do not manufacture handloom or any other products produced by the small scale sector.

Secondly, Government should guarantee the supply of raw material to the small scale sector, otherwise, the big industries may obstruct supply of raw material to them. Thirdly, at least in Uttar Pradesh, you should set up an All India Small Industries Bank. The population pressure of the eastern region of Uttar Pradesh is on the increase. Due to the high density of population, fragmentation of land holdings is taking place, as a result of which, unemployment rate has reached peak levels. If you want to ease the pressure on land, then you should encourage small scale industries. Moreover, by

developing technologies suited to the local industries, and by providing incentives to small scale industries, you should solve the unemployment problem. Further, you should make arrangements for marketing their produce. Whether these industries produce Mustard oil or wheat flour, chips or any other things, what they need most importantly is market for their produce. Therefore, in order to pay attention to all these matters, it becomes necessary to open an All India Small Industries Bank either in the eastern region or in Lucknow.

you want to solve the problem of unemployment with the help of our industrial policy and if you want to improve our deteriorating economic situation and check the unrest sweeping across the country, you should give encouragement to the bulk producers in the rural areas through small scale industries. This would solve the problem of unemployment and provide reasonable prices to our farmers. As a result of not getting jobs, the unemployed youth are getting into the wrong track and it is causing widespread unrest in the country. Keeping in view the factors such as the ever increasing unemployment among the youth, the havoc caused through plundering by the foreign companies, the production in the agricultural sector and the rural areas, we should formulate well thought out industrial policy which would act as a catalyst in removing unemployment and in revitalising our economy. We expect only this much from our present Government. With these words, I thank you

[English]

SHRI P. NARSA REDDY (Adilabad): Mr. Deputy-Speaker, I am thankful to you that you have given me an opportunity to say a few words on this Demand. The industrial policy of the Government is in such an utter confusion that it is like a rudderless ship. One does not know where it is going and what are its objectives. If we look to the statement given by the Vice-Chairman of the Planning Commission, the Vice-President of the National Front, he had several times made this observation that as far as the

industrial growth and agricultural growth are concerned there has been a commendable development in these areas, but yet there has been a percentage of 46 out of people who are below the poverty line. Therefore, the Vice-Chairman had often in his public utterances said that there is a need for a change in the Industrial Policy and to have employment oriented industrial schemes so that most of the unemployed can be absorbed under these schemes.

He had also said that most of the rural areas have been neglected and that agriculture needs greater stepping up as far as planning is concerned. The Demand of the Industry Department is a pointer. We can see that this Demand, Demand No. 23 was earlier in 1989-90 for Rs. 776 crores and 55 lakhs. This year it has come down to half of it that is Rs. 349 crores and 21 thousand and so far as industrial development is concerned, in 1989-90 it is Rs. 691 crores and now under this Demand it is only Rs. 664 crores. Now we could see whether the Government is interested in giving a fillip to the small scale sector and the rural areas from the amounts allotted to these sectors. Small scale sector is one of the most important sectors under which we can have a high employment generation at low capital intensively because it promotes decentralisation of industrial activity and help in widening the entrepreneur base. For this, in 1989-90, an amount of Rs. 134.4 crores was allotted. This year, only a pittance, i.e. Rs. 5 crores more has been given. This is the way unemployment is being tackled by the Government! Let us turn back and see the performance. In 1987-88, we had 15.76 lakhs units, in which 107 lakhs people were employed. In 1988-89, units grew from 15 lakhs to 17 lakhs and the employment potential rose up to 113 lakhs. Exports also had increased in the small scale sector from Rs. 3,617 crores in 1987-88 to Rs. 4,534 crores.

Now, apart from this sector, the other sector which is very important so far as rural industrialisation is concerned, is Khadi and Village Industries. If you look at the figures given in the Performance Budget, you will

[Sh. P. Narsa Reddy]

find that in 1989-90, Rs. 404 crores were earmarked, this year hardly Rs. 20 crores has been exceeded. Now we could see in what manner the Government proposes to tackle the unemployment problem by taking up schemes in the rural area. The Planning Commission time and again asserted that under the 8th Plan, the GDP would be about 7 per cent, minimum 6 per cent and they will have to go beyond that. I submit that there has been a misnomer that agriculture had been neglected and therefore more money and more concentration must be there towards agriculture rather than industrial production. In the Seventh Plan, there has been a significant increase in industrial production. The normal target of 8 per cent increase has been exceeded except in the last year, i.e. in 1989-90 when there has been a slight fall because of various factors. But there has never been a downward trend in the agricultural production during the last two or three years. In 1987-88, because of the two years continuous drought, the production had fallen. In 1988-89 and 1989-90 the grain production was 170 million tonnes and 172 million tonnes respectively. So, there is no case at all for the Planning Commission or the Government to say that agriculture has been neglected and only industrial growth has been given greater importance.

There have been several criticisms of the public sector industries by the previous Government. It was said that the 1956 Industrial Policy of giving greater emphasis to public sector had been given a go by and the core sectors are not kept at the Government level and they are given to multi-national corporations and there has been quite an erosion because of the multi-national corporations coming into it. I would respectfully submit that so far as the public sector is concerned, it had made a commendable progress in the last four or five years. It could be seen from the development that had taken place under this sector.

In 1951 we had hardly five enterprises in which an amount of Rs. 29 crores was in-

vested. In 1989 we have got 231 enterprises in which Rs. 84,564 crores have been invested. The profit has also come to such an extent that the export earnings as well as tax increase has been commendable and by no stretch of imagination we can say that the public sector has been neglected and it has not attained the commanding heights.

14.00 hrs.

Now I come to the point of developing the backward areas. There is no doubt that growth centres have been sanctioned and they are being given to various places. I would like to submit that of the 100 growth centres which have been sanctioned 60 have been earmarked and 40 are yet to be earmarked. In the State of Andhra Pradesh, there are several hilly and backward areas. So the growth centres may be earmarked for those areas where coal, water and power are available. In districts like Adilabad where infrastructure is available, it is necessary that we may have growth centres in such areas.

So far as industrial development of Andhra Pradesh is concerned, I may point out that there are two schemes which need Minister's attention and they must be taken up. One is the Defence propellant factory which should be located at Warrangal because the State Government has come forward to give the required land of 7500 acres and the electricity. Mr. Jayaraman, Director of Ordnance Factories had also visited the site in 1986. This is a backward area. And since Government has promised to give necessary impetus to backward areas, I would earnestly request the Government that this factory must be located at Warrangal.

Several hundred million tonnes of bauxite ore deposits are there in east Godavari and Srikakulam belt. There was a scheme for establishing an aluminium project in collaboration with the USSR. The Russians also came and inspected the site. The project feasibility reports had been prepared in 1980 according to which the cost worked out

was Rs. 500 crores and about 300 people would have got employment. Instead of exporting bauxite ore, I would request the Government to consider this matter and set up a factory in an area where industrial backwardness is very much acute.

When Hyderabad State was there, it was Mr. Layak Ali, the former Prime Minister, who said that he was going to make Adilabad as Manchester of his State. There the infrastructure of all types is available. So different types of industries could have come there. Now there are certain factories put up by Birlas. One of their factories Seer Silk Factory has been closed down three or four years ago making 3000 people jobless. For that the BIFR has given a decision that the scheme is viable and it asked the IDBI to take it up. But BIFR is just an advisory body. I would urge upon the Government that BIFR could not sustain itself by being a mere advisory body. It should have some teeth; it should have some statutory power so that it can give order where it feels that the factory is viable and could be run. I would request the Government that such factories must be taken over by Government. Birlas having seen that, they do not get monumental profits, they just desert them and leave it to the fate of the poor who are now jobless. I thank you, Sir, for having given me the opportunity to speak on Industry Ministry's Grants.

SHRI MANDHATA SINGH (Lucknow): Mr. Deputy-Speaker, Sir, at the outset I must say that when we are at the tail end of the debate of every Ministry's grants, the last speakers are the worst sufferers. So, you have to find out some ways, that means, to give us also enough opportunity to have our say. Anyway that is not my main point. I just wanted to draw your attention to this fact.

Sir, I will begin that the debate was started by our esteemed colleague, Shri Vasant Sathe who waxed eloquent about the all-round balanced growth, which as he said, was propounded by the first Prime Minister of the country, Pandit Jawaharlal Nehru in the much publicised and talked

about Industrial Policy Resolution. What balanced growth? When we say that, our eyes wide open that those who wield political power, their constituencies, their favourite districts are benefited by large-scale investment and I will not take any names. Even during the regime of the previous Prime Minister, a backward district like Sultanpur which includes in itself in the constituency of hon. Shri Rajiv Gandhi, was mentioned by the hon. Minister while giving reply to a question in this very session when he said that Sultanpur is a zero-industry district. It is a part of Faizabad Division in UP. While Faizabad Divisional headquarter has no industry, that is included in the list of districts which are supposed to be having industry but Sultanpur which has now enough of industries against that balanced growth theory, that is still indicated in official paper as zero-industry district and that answer is probably based on the information received from the UP Secretariat which was read out by our Minister here in this House. This is a pitiable state of affairs as far as assessment of backward areas or zero-industry areas are concerned.

Therefore, Sir, without wasting any precious time, I would like to highlight that balanced industrial growth has been neglected so far during the last Seven five year Plans. It has been only talked about. While I make the political allegation that those who were in power—I will not mention the names and the year—whosoever was in power, got the political influence utilised and tried to open some industries, big or small, in the areas of their choice. While all the time, we have been talking about the planned development for the country, but the strategy is that planning is impossible without pooling of resources at a particular level and through-out the process of planning, there has been no methodology adopted.

14.04 hrs.

[SHRI JASWANT SINGH—in the Chair]

SHRI MANDHATA SINGH: We have yet to develop a system where resources

[Sh. Mandhata Singh]

can be pooled at a particular level and industry is set up or any development project set up without any political considerations. Then, Mr. Sathe talked about the infrastructural facilities. I have no debating point to score with him when he talked about irrigation, enough water, power supply, and roads and what not. They are certainly essential. But he forget to mention two most important factors—natural resources and manpower; not only unskilled manpower, but we have enough of skilled manpower also in this country, and when we plan for industrial development, we forget, as our friends from Bihar and other places have already pointed out, that this country is fortunately endowed with rich natural resources and rich manpower also, intellectual power also. But all the time we have been wailing about the brain-drain, the so-called brain-drain, our graduates and technocrats running away to foreign lands. The CSIR and other institutions fund our institutions for every single young boy or girl whom we train as a technocrat in our IITs and other institutions, most of them either opt for the Civil Services—they try to become IAS officers or if they fail to do so, they run away to foreign lands to earn their livelihood. Can this be called the planned development of the country where the talents of young men and women trained with our money are utilised by the multinationals in America? My own family is the worst sufferer where three of my own cousins who are top grade technocrats have run away to the United States of America and they have been forced to accept American citizenship in order to import their wives there. The last one is going on the 22nd of this month. So that is a tragedy and while planning for industrial development, we must never ignore the great potential of our rich natural resources and our rich manpower, specially the trained manpower.

Then, Sir, almost all the speakers have been emphasising the need for employment oriented projects and they have been hitting at the new National Front Government because we have pledged to the people that we

shall provide them with the right to work. I can see that it is a very important aspect of our promise and we stand committed and in the next Five-Year Plan we have to do something very concrete and positive about it. I must also emphasise, as was indicated by an earlier speaker, my friend Mr. Mitra Sen Yadav of the Communist Party of India when he said that the consumer goods that are in great demand in this country, the production of those ordinary consumer goods, should be entrusted to the small and medium sector, to the cottage industries sector, and the multinationals or big industrial houses should be debarred from producing them. When the hon. Minister is thinking about coming forward with a new Industrial Policy Resolution, I urge upon him, I urge upon the Ministers concerned, the Cabinet itself, that it should take serious note of the distortions in our industrial policy where we should draw a hard line that such and such items will have to be produced by the bigger sector, call it public sector or the highly technological sector. But for the ordinary consumer goods like soap and detergent powder, pens, ball pens and all that, everything has now gone to the big sector and therefore, if we do not change our route, we will never be able to give employment opportunity to the teeming youth of this country. For this there has to be a basic change in the emphasis. I wish to underline the fact that during the last seven Five Year Plans, during the last 42 years of our freedom, we have been concentrating on capital intensive industry which requires huge sums of money. Then, the parallel sector is called the labour intensive sector. I have risen here to press upon the urgent necessity and the need to go in for labour intensive technology. We have eminent scientists of the stature of Prof. Menon and Dr. Raja Ramanna in our Council of Ministers. They can catch hold of many other people also in this country who can give us labour intensive technology, by using which we can ensure the 'right to work' to millions of our young men and women who have no jobs and who have no opportunity to put in their labour. For this, naturally the attention is drawn towards the handicrafts and I will not detail them out. Then, we talk

about handloom sector or the powerloom sector or dozens and dozens of handicrafts which are very much in demand not only in this country but outside also. It earns valuable foreign exchange for our country.

Mr. Chairman, Sir, as I represent the city of Lucknow, I am bold enough to remind that the chicken industry is almost a cottage industry and it earns huge amount of foreign exchange. For this, one training centre that was being run by the Government there, has now been closed down in December last. Is that the pitiable state of affairs through which we can encourage handicrafts in our country? Even the rural women come out with certain products which are very fashionable even in cities like Paris, New York and Washington; they do not involve much expenditure and investment. But so far we have wasted our 42 years of freedom; we have not harnessed their technical knowhow or energy.

Sir, I will not take much of your time. Then, people talk about agro-industry and food processing units. We have a separate Minister here for textiles; for sugar, we have a separate Ministry in the States. We have a separate Minister here for food processing with his own paraphernalia of Ministers. Our young and dynamic Industries Minister is already sitting before us. Where is the need for multiplicity of so many departments? I wish to make a bold suggestion that all kinds of industrial activity should be placed under one department under the charge of one Minister designated as Industries Minister. If the work needs the assistance of other people, separate sub-sections or departments can be worked out. What I wish to hit at is that we should not compartmentalise or departmentalise the process of industrialisation. When we talk of about food processing. I want to give one example. We, still, have not been able to provide Rs. 100 per quintal for the potato that is purchased from our farmers. But when it is converted into potato-chips and sold in the posh Hazradganj locality of Lucknow in polythene bags, the consumers have to pay Rs. 1,250 for one quintal of potato chips. What technology is

involved there what capital is needed there? When we talk of food processing and agro-industries, we should ensure that if we cannot give Rs. 100/- a quintal to the poor farmer and if the consumer gets potato chips at Rs. 1,250 a quintal, naturally a person like me wants to know where those Rs. 1,150/- go. The kisan and the consumer are cheated and the middleman runs away with the cream. That should stop immediately.

We have been talking loudly about workers' participation. I would not repeat the case of Scooters of India. I make a personal appeal to our dynamic Minister to look into their problems.

I have to underline the bureaucratisation of the entire set-up. I have my own friends amongst the IAS cadres. They are very able and bright people. But the tragedy is that today an IAS Officer becomes Education Secretary, tomorrow he becomes the Secretary of Public Enterprises, on the third day he will become the Health Secretary, the fourth day he may become Foreign Affairs Secretary, the fifth day he may preside over the Ministry of Steel and Mines and on the last day of the week, he may be attached to Shri Murasoli Maran to look after Urban Development. This kind of affairs should not be allowed to continue any more. We should have an All India cadre for expertise in all the sectors of public activity where they should specialise; and then the country can be guaranteed a certain amount of progress.

Workers' participation in management still remains a slogan. It should not be allowed to remain a slogan. There is talk about workers' participation. As the hon. Minister knows, I have been a participant as a Delegate in the first Conference/Seminar held here in the Vigyan Bhavan, and there also I had said—and I have been saying it all along—that there has to be an effective participation. Half-a-dozen bureaucrats sitting at one place, along with one Union representative is not workers' participation. It has to be translated into effective participation.

[Sh. Mandhata Singh]

Mr. Sathe said—I am referring to the person who initiated the debate and nobody has taken notice of it—that work culture has gone down. It has deteriorated. The sick unit and public sector are the same; there is no work culture there. There are many reasons. I will not go into the details. That complex problem can be solved. We can have a new work culture only when they are made partners in the running of the institution, and then they can be accountable. You make others masters and expect only the labourers to act as bonded labour. New work culture can never be born in this country.

My special thanks to you for bearing with me for a couple of minutes more than what was probably due to me. I support the Grants for the Ministry of Industry.

SHRI PIYUS TIRAKY (Alipurduars): While supporting the Demand for this Ministry, I should like to give some figures so that our young Minister can correct the lacuna which was there during these 40 years of independence.

The Corporate Sector Review has mentioned that the number of Government controlled as well as non-government controlled companies is 1,155 in the country. The activity-wise distribution of companies at work as on 31st December 1989 shows that 51.4 per cent of the companies at work on that date were engaged in processing and manufacturing; 25.5 per cent companies were engaged in various other activities like agriculture, mining, construction, utilities, transport, communication and storage system etc. There were 324 companies limited by share and they were at work with unlimited liabilities as on 31st December, 1989. All these companies were non-Governmental private companies. Such companies with unlimited liabilities are scattered all over the country. There are 153 such companies in Maharashtra; 80 in Gujarat; 49 in Delhi; 35 in Goa and the remaining 7 are in other States. Some new companies were

registered under the Companies Act during the year 1988-89. There were 27 Government and 21,884 non-Governmental companies with the authorised capital of Rs. 2,465 crores and Rs. 2,330 crores respectively. Simultaneously, 10 Government companies with unlimited liabilities were registered afresh. They should not have given any more licence with their background with the unlimited liabilities. Further, 76 non-Governmental companies with limited liabilities were also given chance afresh during 1988-89. Their authorised capital was Rs. 7290 crores, which were registered during April-December 1989. The foreign companies at work as on 31st December 1989 were 455. Besides the Companies Act, 1956 and the Monopolies and Restrictive Trade Practices Act 1969, the Department of Company Affairs deals with the work relating to Chartered Accountant Act, 1949, the Cost and Works Accountants Act 1959 and the Company Secretaries Act, 1980. So, the Ministry has to deal with all these companies. Moreover, the Department of Company Affairs deal with the administration of the Partnership Act, 1932; the Companies (Donations to National Funds) Act, 1951 and the Societies Registration Act 1860. So many subjects are to be dealt with by this Department.

I would now like to touch upon the pending cases. A number of 317 inquiries are pending with the MRTTP Commission as on 31st March 1989 in *Suo motu* inquiries instituted under Section 10 (a) (iv). 75 cases are pending with the Commission as on 31st March 1989 regarding inquiries into unfair Trade Practices instituted under Section 36 (B) (a). 93 cases are pending as on 31st December 1989. They relate to the applications sent by the Director-General of Investigation and Registration under Section 36 (B) (c). *Suo motu* inquiries instituted under Section 36 (B) (d) revealed that 470 cases were pending with the MRTTP Commission as on 31st December, 1989. 78 cases were pending as on 31st December, 1989 under the Temporary injunction under Section 12 A. Under the heading Award of Compensation under Section 12 B, 3,465 cases were pending as on 31st December, 1989. So,

what I want to say is that there is a need to give a new turn to the industrial policy because, so far, the previous Government had followed the policy of pro-capitalist, pro-bureaucratic, anti-working class, anti-people and anti-consumer. That must have to be changed immediately. Otherwise, the expectations of the people will be belied. If the policy is not corrected, then, naturally, the people will not forgive this new Government also.

The rich have become richer and the poor are becoming poorer. There is no doubt that industrially, our country has developed. But the distribution of power and distribution of profit is hanging in the balance and it is because of the faulty policy and therefore change in our policy is a must. The policy-makers so far have always been in favour of big people, the bureaucrats and the capitalists. The common people in the country must be taken into consideration in every project. The participation of the working class in the management is a bogus slogan. Rather, workers must have a control over the management in every aspect of the running of the industry. That would be the perfect policy and I wish this Government will work in this line.

MR CHAIRMAN: Shri Muthiah to speak. I must caution you about the time. How many minutes do you need?

SHRIR MUTHIAH (Periyakulam): Ten minutes.

MR CHAIRMAN: Please try to conclude within five minutes.

SHRIR MUTHIAH: Mr Chairman, Sir, thank you very much for having given me this opportunity to say something on behalf of my party, All-India ADMK, on this very important Demand of the Ministry of Industry.

At the outset I regret to point out our grave disappointment over this Demand because of the total neglect and absolute silence of the Government on certain long-pending genuine demands of the people of

Tamil Nadu. We have, particularly, all along, been demanding the expansion of the so-called Salem Steel Plant from the present status of Steel rolling plant to a pucca steel plant by using the available iron ore in that area. As we are well-experienced in the field of disappointment, this Government also has very well disappointed us in this expansion scheme. Like this, we have all along been insisting for the expansion of Hindustan Photo Films Institute at Ooty by expanding the colour photo film institute there. But now the tragedy is that though it is not provided with an expansion scheme, the existing project itself is going to suffer so much by the announcement made by the Finance Minister by providing duty concessions for imported jumbo rolls.

In Cauvery basin even though the investigations are all over for the setting up of an oil refinery project at Narimanam and Adiyakkamangalam, we find no concrete steps to bring them into reality in the near future. I request the hon. Minister to use his good offices on his colleague, the Minister of Petroleum to get this unit at least in the 9th Plan period.

Apart from all this negligence on the part of this Government on the one side, we are having a Government of our own on the other side which is politically biased even with regard to going ahead with certain existing industrial proposals. For instance, we have got a proposal of graphite project at Sivaganga. Preliminary works on this project have already been inaugurated by the former Prime Minister Shri Rajiv Gandhi during his visit there. But as soon as the DMK Government came to power, for some political reasons, this has now been abruptly abandoned and the existing graphite has been transported to some other place through some private agencies, which too it is said, at the behest of the son-in-law of the present Chief Minister of Tamil Nadu. With this attitude of the Central and the State rulers, I fear, after some time we will hear the State of Tamil Nadu as 'Zero industrial development State' as we are hearing about some of the districts as the 'Zero Industry District' now.

[Sh. R. Muthiah]

This Government has pledged in its manifesto to the people that 50% of the Government's resources will be deployed for the development of the rural economy. Naturally the industrial development is an area where the people will expect the fulfilment of the pledges of this Government. But our Minister will have to clarify as to how far it is going to be deployed for the development of the rural economy.

like this for the development of backward areas this Government has committed much. Some subsidies have been introduced for the development of the backward areas. The State Government also has sanctioned huge amount of subsidy and other aids in the form of supply of concessional tariff power and so on. But what we find in the backward areas in the industries started by the entrepreneurs by getting these concessions from the Central and the State Governments is that in so many cases they have started industries in the backward areas to promote employment opportunities in that area; but actually what they are doing is that they are getting their own men from their own places to that backward area. Hence I wish to emphasize that our Minister should kindly go through all this past experience, have a complete survey on these industries that after getting subsidies from the State and the Central Government whether they have given proper and adequate employment opportunities to the backward area people where they have started industries.

I have got personal experience of my constituency in Andipatti area from where the former Chief Minister and our political mentor Dr. MGR had contested. Due to his individual interest, some industries have been started in that area. But they have not given employment even for some 5 per cent of the local people. Everywhere the same thing will occur. Hence, have a complete survey on these industries as to whether they have given at least 50 per cent of their employment opportunities to the people in the back-

ward areas. If it is not so, without assigning any reason, please go ahead with concrete steps to recover the subsidy aids they have got from the Government. Then only, we can find a solution for creating employment opportunities for the people in the backward areas. In my area in Bodi, we have got some very good silk cotton and other things which can be used by the Khadi and Village Industries. The Khadi and Village Industries Department has to do something in Bodi area. They are just procuring and sending it to other places. They should do some processing work at Bodi itself. Apart from Andipatti and Bodi, in my Constituency, there are Sedapatti and Kambam areas. They are also having no industry upto this time. Hence, I request the hon. Minister to concentrate on such areas where we find no industries upto this time.

Finally, I wish to draw the attention of the hon. Minister to some alarming fear now mounting in the minds of the entrepreneurs, due to the action taken by this Government in the matter of Larsen and Toubro. Government acting through LIC, have now initiated a move for removing the Ambanis from the management of Larsen and Toubro. While the reasons for the Government's action in taking steps to throw this family out of L&T have not been clarified, I think that the Government has taken this decision only with some good intention to protect the interests of the public and small share holders in L&T. If it is so, I want to know from the Government as to whether the same yardstick will be applied to other companies also, in the same manner. I have got a glaring example in Tamil Nadu with respect to a large cement company, the India Cements Limited, Madras, which is one of the biggest and the oldest cement manufacturing companies in India with an installed capacity of around 1.5 million tonnes per annum. In this glorious cement company, what had happened during early '80s, was that the promoters with their mismanagement and misappropriation swindled the money of the company to the verge of its total collapse.

Then, the financial institutions who were

then holding over 50 per cent of the equity capital of the company took firm steps to change its management and removed the family of the promoters by a resolution at an extra-ordinary General Body Meeting held in 1981. A spectacular turn round through professional management under the control of the financial institution was achieved in the company. The World Bank team which examined a dozen of cement units in the country for assistance for modernisation in 1985, rated India Cements as the best-managed company for granting assistance. As such, the company was doing well and had a massive expansion programme for modernisation with an outlay of Rs. 150 crore.

Within five years, they had wiped out the entire accumulated loss of about Rs. 5 crore made by the promoters and there was inter-nal generation of resources to the tune of about Rs. 50 crore even after paying the maximum bonus of 20 per cent to the workers and a recorded dividend of 20 per cent to the shareholders.

At this juncture, during 1989, the promoters who had never ceased their machination to regain control of the company and who were the close friends of the DMK leader, Mr. Karunanidhi, staged a quiet come-back.

The same family of Mr. Srinivasan, who had systematically swindled the company, has come back again. The same person was removed during 1981 for misfeasance, misappropriation, mismanagement and for so many other reasons in the past and his return to the company has been made possible by the same financial institution in 1989 after the DMK came to power.

This family does not enjoy, on any account, more than 5 per cent of the equity capital. Now, I would like to know whether the Government—which has acted in the case of L&T, where the holdings of the Ambanis are about 34 per cent—would sit back and be a silent spectator in the case of India Cements where the family of Srinivas-

ans owns hardly about 5 per cent of the equity.

I have elaborated it since this is a company in Tamil Nadu whose history I know thoroughly, Sir. But I am told that there are about 12 companies of this category, and so on. I would also like to know from the Minister whether the Government is going to take some action against all these 12 companies.

If it is so, are you going to act in the same manner as was done in the case the L&T?

I request the hon. Minister to see that there is no regional imbalance while holding the charge of this Ministry. With these words, I conclude.

[Translation]

SHRI JANAK RAJ GUPTA (Jammu): Mr. Chairman, Sir, more attention should be paid towards the industrial sector, for increased production, for the progress of the country and to increase the country's wealth. (Interruptions)

Maximum encouragement should be given to industries, to increase the country's wealth and for the country's progress.

The gravest problem facing us today is that of unemployment. If encouragement is given to the industries and if industrial development takes place as a result, then it would reduce the gravity of the problem and it would be of great help in solving the problem of unemployment. I would like the Government to pay attention towards this direction and it should endeavour its level best to encourage industries. People should be encouraged for this and they should be provided with facilities and the necessary provisions should be made available.

First of all, we should liberalise the licencing policy, so that people do not face difficulties in getting licence. One widow system should be started so that the difficulties faced by the people like running from pillar to post are removed and they may

[Sh Janak Raj Gupta]

benefit by saving their precious time and get into work, as soon as possible

Apart from this, there is no harm in having big industries but more attention should be paid to the small-scale industries because if small scale industries are in small areas including at the district level, Tehsil level and at the block level, it would benefit the people

The second thing is that, one of my learned friend was just now saying that there should be so political consideration in issuing licences and in the selection of sites for setting up industries I would also say that there should be no political consideration Nevertheless industries should be established in places on the basis of feasibility, that is in places where raw materials electricity and labour are easily available Not only the country would benefit profit but also the people residing in that area would benefit from it

Sir, the issue of labour participation in management was discussed here with great enthusiasm I understand that so far no method has been evolved to implement it nor has any steps been taken to ensure labour participation Therefore, it is necessary to implement it, as soon as possible If there is a good relation between the labour and the management then there would be better work in the factories and increase in production which in turn would benefit the nation As far as Public Sector Undertakings are concerned we should pay attention to it also because it has been observed that generally, the Public Sector Undertaking are running at a loss In 1984-85, the net loss was to the tune of Rs 112 crore and by 1986-87 the net loss increased to Rs 1710 crore The loss is on the increase There is no benefit from it because neither can we compete with the big monopolists nor can we reap any profit from it We should pay more attention towards it so that we gain profit from these undertakings and our nation makes progress

Sir, the Poonch and Rajouri area in the State of Jammu and Kashmir, from where I come, is problem-ridden and backward I would like to request the hon Minister, who is a very dynamic and hardworking person to pay attention to this area and to take maximum steps to set up industries in the backward areas, so that the people of those areas may also benefit from it because neither much land is available there nor do the people have any kind of business and as the international border is nearby, they cannot move far, also Therefore, I wish that a survey be conducted in Rajouri, Poonch, Jammu, Bhadarwal and Kishtwar areas There is a lot of scope for industries in that area Fruits and vegetables are available in plenty and forest-based and many other industries could be set up there After conducting a survey, industries which have scope should be established there so that the people may get benefitted

Besides, there are two industries in Jammu and Kashmir—H M T and I T I You have promised that they would be expanded and money would be allocated for that purpose I believe that, in view of the present conditions, more finances should be provided to that state so that the maximum number of people may get employment It would also help in curbing the present unrest Not only this, an industrial climate is prevalent for the establishment of both the industries in the Poonch and Rajouri areas and I would like the hon Minister to get established industries in that area This would enable the setting up of more industries in Jammu and Kashmir which is a backward area and which in turn would benefit the people at that state

Here, there was also a discussion about industrial growth centres The Government had sanctioned the setting up of many industrial growth centres Sanction was given for setting up one centre in the Sambh area of my constituency also and an amount of Rs 35 crore was earmarked for the purpose Order was also issued for the purchase of land, but to date no land has been acquired and no money has been spent The people

of that area had high hopes that it would provide employment to the unemployed and the labourers, but to-date, no work has been started, there. I would like the work on the industrial growth centre at Sambh to commence, so that the hopes of the people are fulfilled and the centre is established. The hon. Minister should endeavour his level best to encourage small scale industries in our area, so that our people staying in the backward, and border areas and the areas of Kandi may benefit from it.

[English]

SHRI P.C. THOMAS (Muvattupuzha): Mr. Chairman, Sir, the Government is now going to come forward with the new Industrial Policy shortly and I am sure, the suggestions made here by the hon. Members would be taken into consideration by the Government.

I have a few suggestion to make. The first and foremost thing that the Government has to take care is to create a proper industrial atmosphere in the country for the industries to start as well as for the industries to grow. When we think of that, the most important aspect in that may be to give top priority to the maximum efficiency in the industrial sector. How can we create an atmosphere where the outcome from an industry is maximum and we have the utmost efficiency? The workers should be satisfied, the management should be satisfied, there should be profit and the Government should also get its due share. The Government should see that in the industries, the labourers are given due participation in the management as well as actual ownership of the industry. We should also see that the incentives which are given to the labourers are increased in all respects. The workers should have a feeling that they actually get a share of the profit. It should not be in the manner as we give bonus to the workers at present, which is not based on actual profit sharing, but is a kind of casual allowance. I think, the Government has to think over this aspect very seriously.

I have a few suggestions with regard to

the Industrial Policy which has to be announced and these are in relation to my State, that is Kerala. Kerala is a backward State as far as industries are concerned. It is a State where there are so many resources, for example Titanium is something which is available in the shores of Kerala. In fact, it would be a monopoly in Kerala. But there is no public sector undertaking. There is no proper factory where this resource is properly tapped and used for the country. The Government should think of a public sector undertaking to tap this resource and exploit it for the State as well as the country.

Then, I have a suggestion with regard to the big industrial houses. These big houses in our State as well as in other parts of the country are having command over the Government as well as over the people of our country. I can put forward one instance of Mavoor Rayons which is controlled by the Birlas.

15.00 hrs.

That is a big factory in Calicut. Years back there was a strike; and there was a lock out. The factory did not run for months and years. At least the Government had to make an understanding or an Agreement with Mayoor Rayon. The Government had actually to mortgage the forest wealth in Kerala State to the big industrial house. What has been agreed upon to give bamboos and other raw material to big industrial house for more than five years at a very low price which actually is to cut at the roots of the income which the nation is to receive. I would say that when the industrial policy is thought of the Government has to see that the control of such big industrial houses is minimised. Because of the paucity of time, I will stop here.

[Translation]

SHRI BABUBHAI MEGHJI SHAH (Kutch): Mr. Deputy Speaker, Sir, I support the Demand for Grants presented to the House by the Industry Minister and along with it, through you, I would like to give some suggestion to the Minister of Industry, with

[Sh. Babubhai Meghji Shah]

reference to the discussions, that have taken place in this House. While discussing about cement, Shri Murli Deora just now said that in 1982, there was a passive method for cement and that encouraged the cement industry and increased its production. There was definitely an increase in the production, but he did not give the figures with reference to the increase in the price of cement. Sir, one is at a total loss to comprehend the influence, the cement lobby made on the then Minister of Industry, Shri Narain Dutt Tiwari. A cement bag costing Rs. 30 in the evening was being sold at a cost of Rs. 60, by next day morning. The Associated Cement Company was the largest cement producing company in the country, during 1980-81. During that year, 1 crore 75 lakh tonnes of cement was produced in the country, out of which 53 lakh tonnes were sold by A.C.C. They made a sales realization of Rs. 206 crore by selling cement at the rate of Rs. 400 per tonne and they did not suffer any loss on account of it, but then, not keeping in mind the average price of Rs. 600 per tonne, prevalent in the country, they sold it in the open market price of Rs. 1200 per tonne, that is 60 rupees per bag. What is the position? Cement production has definitely increased but now after the new Government has assumed office, that is, within four months, the price of a cement bag has increased by a minimum of Rs. 15-20. I request the hon. Minister of Industry

15.03 hrs.

[SHRI VAKKOM PURUSHOTHAMAN *in the Chair*]

that the investigation conducted through the Bureau of Industrial cost and prices are not authentic. An independent committee should be constituted for the purpose and investigation should be conducted through it. Same is the case with the paper industry. The paper industry is considered self-sufficient, as far as production is concerned, but it is a fact that we import pulp. The materials necessary for production of pulp is available in a

large quantity in the country and raw material for the production of paper is also available. I am not in favour of cutting trees for producing paper but we are not properly utilising the bagasse capacity available within the country. Our sugar industries crush about 10 crore tonnes of sugarcane to produce sugar and out of them itself at least 9 crore tonnes of bagasse is produced. If, even 10 per cent of that is utilised for producing paper, then we would be able to produce about 30 lakh tonnes of paper in our country. Today, we spent Foreign exchange worth more than Rupees 200 crore to import pulp and paper of inferior quality, from across the world. Through you, I would like to submit to the hon. Minister of industry that I do not agree with him, when he says that we are self-reliant as far paper is concerned. You find out the actual state of things. Hindustan Paper Corporation was established in this country with two objections: To increase the production of paper in the country and to make available paper at cheaper rates, but it is a matter of regret that the private sector paper lobby is very powerful and influential. Even today the Thapar Group dominates the Hindustan Paper Corporation. Our Hindustan Paper Corporation has been working in the influential sphere of the Thapar Group from the beginning itself. This is the reason why it took ten years' time to set up the newsprint paper plant in Kerala while normally it takes a maximum two years time for any paper plant to start production, but since Mr. Zutshi of the Thapar Group has joined the Hindustan Paper Corporation as the Chairman or Managing Director, he has adopted this technique to somehow delay the establishment of the plant and to somehow increase the cost of paper in this country. Due to his efforts, the cost of paper is constantly increasing in this country, which is a matter of concern for all of us. The cost of paper has not increased, any where in the world, as it has increased in our country. Then, you look at our consumption. There is not even a consumption of one Kilogram per capita. Our Industry Minister has lived in foreign countries, he may be knowing that there is a per capita consumption of more than 200 kilograms of paper, in the United

States of America. Taking that into consideration, our Government should pay look into as to why our consumption is not increasing and as to why paper is not becoming cheap in our country.

Now, I would like to say something, with regard to salt. The Parliamentary constituency of Kutch, from where I was elected, is the largest producer of salt in the country. In our area, licences for producing salt have been mostly issued to small producers, but last year, the Ministry of Industries gave permission to big companies coming under the M.R.T.P. to sell salt. Although, this purpose was to use salt only for the production of Soda Ash and Caustic Soda, they were also allowed to sell salt. The result of this action is that the small producers of salt are running at a loss. As such, the price of salt has not gone up in the country. If you look at the figures of salt production in the country, you will find out that the consumption of salt has not increased quantitatively confined to the increasing consumption of edible oil and sugar. No one can muster enough courage to increase his or her salt consumption. Nowadays, saltless diet is a much talked about subject. One to all this, the consumption of salt is on the decline and along with it the difficulties being faced by the small producers are on the increase. I request that the big industries (companies) should not be permitted to sell salt in the open market. I hope that you would seriously pay attention to this subject. Now, I would like to draw your attention towards the Khadi and Village industries. This provides maximum employment opportunities to the people. There are more than 40 lakhs of people, in our country who are employed in the Khadi industry. Out of them more than 15 lakh people belong to the Scheduled Castes and Scheduled Tribes and this industry provides employment to more than 20 lakh women. The Khadi Gramodyog (Khadi and village Industries) should be given more money and it should enter into new markets also.

Just now, some one stated about capital intensive industries. We should pay our attention to it. Under the seventh five year

plan, investments worth over 40,000 crore rupees were made on our Public Sector Undertakings but people did not get employment opportunities, in accordance with it. Under the Sixth five year plan, more than 18 lakh people were to be provided with employment, but despite making a similar investment in Public Sector Undertakings, they have a capacity to provide employment to only 1-5 lakh people. You should take note of it. In our Manifesto; we had stated about providing employment to the maximum number of people and about providing money for self-employment to those, whom we are unable to provide employment. You should pay attention to it that the situation of providing money should not arise. You should encourage small scale industries which can provide employment to more people with less investment. One person gets employment if a capital investment of Rs. 15,000 is made in a small scale industry and even if Rupees two lakh are invested in a big industry, only one person gets employment. Due to this reason, small scale industries should be encouraged.

An independent committee should be constituted to look after the sick industries. We do not have any faith in the committee related to this in your department. The number of sick industries is growing. Whatever is written in your report is always favourable. Therefore, an independent committee should be constituted for this purpose. With these words, I conclude my speech. I am grateful to you for giving me time to speak.

SHRI HARPAL SINGH PANWAR (Kairana): Hon. Mr. Chairman, Sir, whatever may have been done in respect of India's industrial development, the rural sector has always been neglected. Small-scale and cottage industries in villages should have been encouraged but the faulty policies and ill-designed programmes of the Government did exactly the opposite. Large industries have been set up with an investment ranging from Rs. 500 crores to Rs. 1,000 crores but these industries have not generated employment opportunities in line with their size. The unemployment problem would not have

[Sh. Harpal Singh Panwar]

assumed such serious proportions and the poverty in the country would not have been so acute if we had encouraged trades like carpentry, Weaving and pottery in the rural section during our First and Second Five-Year Plans. All that we thought or tried to do remained on paper only. A list of no-Industry districts was prepared but no action was taken because the necessary infrastructure for setting up of an industry such as roads and communication facilities is not available. So the setting up of industries in the private sector or the public sector was not considered. Areas where there are no industries should be identified and new industries should be set up there. Industries have a tendency to concentrate in fixed areas thus making it difficult for rural areas to develop. This has led to unemployment in villages.

Sir, even if industries are set up in villages the local villagers are not given jobs on the plea that are unskilled. A law should be introduced to reserve a fixed percentage of employment opportunities for people in rural areas and they should be imparted training in training institutes so as to make them skilled workers. Land is acquired from farmers for setting up industries in the private sector or public sector but they are not paid proper compensation for it. The land is then developed and sold at the rate of thousands of rupees per square yard. So there should be a law to prevent acquisition of such land for setting up industries either in the private sector or the public sector. Such an injustice should not be done to farmers because they develop a sentimental attachment with their land. Laws should be such that their implementation is easy. The legal process is so cumbersome that a person gets frustrated and wonders if his project will even get off the ground. The rate of interest on loans for setting up new industries in the small-scale sector is so high that loan-seekers are scared whether they would be able to repay. So this rate of interest should be reduced.

The country's craftsmen and other skilled

artisans are on the verge of starvation and the Government should assure them a steady income. Besides this the Government should give them incentives to work harder in their respective fields.

Despite its proximity to Delhi, Western Uttar Pradesh has always got a raw deal. There has been so industrial development in this area. The land is very fertile and the local people are subsisting on agriculture alone. I would request the Government to pay special attention to all districts in Western Uttar Pradesh because unemployment problem in this area can be solved only when industries are set up there. There are many unemployed people there.

The sugar industry has become the problem industry in this country. Barely 35% -36% of the total sugarcane production reaches the industry. The rest of the sugarcane produce is purchased by crushers at very low rates. The proposal to set up sugar mills at a distance of 25 kms. or 40 kms. has no justification. A mill should be set up keeping in view the area's requirements. In Muzaffarnagar district there are 4-5 mills of which one is not working at all. Even if 15 more mills are set up the sugarcane produce will not reach the mills. So to say that setting up of 1-2 mills will solve the sugarcane problem is mere eyewash. The Government can import sugar but it cannot reform the laws to the benefit of sugarcane farmers. So I request the Government to do away with distance restrictions between sugar mills.

In case of small-scale industries.

[English]

PROF. N.G. RANGA (Guntur): Is there any such restriction now?

[Translation]

SHRIHARPAL SINGH PANWAR: There should be no mileage restriction. I have studied the former Prime Minister Chaudhry Charan Singh's analysis of the country's economic condition. He has made it clear

that the country's unemployment problem can be solved only by expanding the small-scale industry sector because 50 persons are employed in a Rs 500 crore factory and 100 person are employed in a Rs. 5 lakh factory. Large industrial houses should not be allowed to enter the handicrafts sector because they restrict the growth of small-scale industries. Small-scale industry should be given freedom of operation and even legal concessions if necessary. This will generate employment opportunities for the unemployed.

\*SHRI R. JEEVARATHINAM (Arakkonam): Hon. Chairman, Sir, I wish to say a few words on the demands for grants relating to the Ministry of Industry.

A unit of Maruti Udyog Limited that is in the North should be set up in Tamil Nadu for manufacturing Maruti car, Maruti Jeep and Maruti van. The Chief Minister of Tamil Nadu is a partner in the National Front Government here. He even boasts he was instrumental in bringing the National Front to power. I, therefore, hope the hon. Minister of Industry would accept on the Chief Minister's behalf my demand for setting up of the Maruti units in Tamil Nadu.

There is a BHEL unit Arakkonam in my Parliamentary constituency. That should be expanded. The BHEL promised to provide employment to the wards of those whose lands were occupied for setting up of the unit in Arakkonam. That promise has not been fulfilled so far. Even the engineers who got trained in that unit are still to find employment. A large number of casual workers in that factory have been terminated from employment. These matters must be sympathetically examined and employment to the local population should be provided in the BHEL units.

Sir, there are a large number of sick units in the country especially in the textile and heavy industrial sectors. For the last 5 years, I had been highlighting this point in

this august House. Now a new Minister has taken over. He is young and dynamic. The Minister must devise ways to rehabilitate the sick units. In Tamil Nadu alone, there are a large number of textile mills closed due to sickness. Efforts must be taken to reopen the mills. New machinery must be installed in these sick units and they should be revived. An expert committee must be constituted to go into the whole question. Either the sick mills should be taken over the Government or they should be auctioned for the public.

Sir, the Tamil Nadu Industrial Investment Corporation is lending loans to the industrialists. 65% capital is lent by the TIIC has the rest 35% has to be borne by the industrialists. This ratio should made as 75% by the TIIC and 25% by the industrialists. TIIC is funded by IDBI and IDBI charges high interest from TIIC. TIIC, in turn, charges higher interest from the customers. Both these interest rates should be considerably reduced. Then only, there will be incentive for starting new industries. TIIC and IDBI are charging compound interest from the customers if the interest is not paid in 6 months. This is an oppressive state of affairs. Charging of compound interest on loans by financial institutions should be avoided at all costs.

Sir, Hotel and lodge industry is a growing industry in urban and semi-urban areas. Presently, the subsidy is not being made available to Hotel and Lodge industry. The central subsidy that has made available to Hotel and Lodge industry so far has to be restored.

Sir, this is a vast country. We cannot afford concentration of industries at one place. This would not be conducive for the development and growth of a greater India. Industries should be set up at Taluk and Block level. When Shri N.D. Tiwari was the Finance Minister he assured this House that industries will be set up even at Block level. The hon. Minister belongs to U.P. and the then Finance Minister also belongs to U.P. I, therefore, hope the Hon. Minister would fulfill what his predecessor has assured.

\*Translation speech originally delivered in Tamil.

[Sh. R. Jeevarathinam]

Sir, the prices of cars have increased a lot. Even middle income group people want to own cars. I, therefore, request the Hon. Minister to allow import of cars at reduced excise duty so that these could be available in the market at lesser prices. A car ordinarily cost Rs. 2 to 5 lakhs now. This cannot be afforded. However, if you resort to importing cars at reduced excise duty, definitely that would bring down the prices of cars manufactured in India. When we can welcome capital from NRI and other private individuals from abroad, why should we not allow import of cars at reduced excise duty. Sir, I also request that cars should be produced in India at low cost. When I purchased a fiat car, I paid only Rs. 8000. Today the same fiat car costs 1 1/4 to 1 1/2 lakhs. Therefore, a low cost car manufacturing unit must be established in Tamil Nadu.

Sir, there is no scooter factory in Tamil Nadu. A scooter factory either in Central sector or in private sector must be set up in Tamil Nadu and that may kindly be set up in my Arakkonam Parliamentary Constituency.

Sir, we should also review the pattern of lending under IRDP. IRDP programme was launched to develop rural areas. After the change of the Government at the centre, I feel the funds under IRDP are not being utilised properly. The 30% subsidy under the programme is not percolating to the poor people to whom it is intended. This should, therefore, be examined.

[English]

MR. CHAIRMAN: Yes, What you speak is beyond the scope of Industry. Please conclude.

[Translation]

SHRI R. JEEVARATHINAM: Industries should be spread all over the country. They should not be concentrated in one place. That would harm the balanced development

of the country. Industries should be started in backward areas particularly in my Arakkonam and Pallipatu constituency.

SHRI M.S.PAL (Nainital): Hon. Mr. Chairman Sir, first of all I express my gratitude for giving me an opportunity to speak. I welcome the new industrial policy particularly in case of small industries, large industries and food-processing industries and express my support for the Demands of Grants. Hon. Shri Ajit Singh has come up to the high expectations we had of him. The saying "worthy son of worthy father" is most appropriate for him as he is the son of Chaudhry Charan Singh. I would like to raise a point concerning women in defence services. There is limited scope for women to work in industry. There is an institution in the Army called the Nursing Service. It is a wing of the Army where women from all over the country work. There is a long-standing demand will the Government for making this a corps. Nothing has been done in this direction till now. Therefore, whenever a Cabinet meeting is held the proposal for giving the Nursing Service the status of a corps should be seriously considered so that women can work independently there. I come from the Uttarkhand Kumaon region. A part of the Bareilly district called Behari falls in my constituency. This district neither falls under the jurisdiction of Bareilly nor under the Uttarkhand Kumaon region. While taking a policy decision Behari should be attached to the Kumaon Nainital region. A part of Baheri is hilly and another part is plain area. 80% of the people living in the hilly area serve in the army and on retirement return to this area. I urge the hon. Minister to show special consideration to ex-servicemen for grant of industrial loans and subsidies. This facility should be given to them as these people are not well-versed in the technicalities of running an industry. I thank the hon. Minister for restoring the facility of subsidy in my constituency which was withdrawn by the previous Government. The Government should adopt a liberal policy in case of agro-based industry. The sugar industry in particular has plenty of scope and sugar mills should be set up at a distance of 15 kilometres. There

should be no restrictions as far as setting up of sugar mills is concerned. The sugarcane is fresh during the harvest period in October but it becomes dry by June. This causes a lot of problems to farmers. Therefore more sugar mills should be set up in order to utilize fully the sugarcane produce. Food-processing industries should be set up at a distance for 15-20 kms. Another problem being faced by farmers is non-availability of subsidy for tractor-trolleys. If I buy a taxi for my industry, I get a 20% subsidy on it. But subsidy is not available on tractors and allied machinery. So, I would ask, the hon. Industry Minister to grant a subsidy on these items. The Government should not spend money on those sick units which has outlived their life-span. The Government should rehabilitate new industries which are not functioning due to lack of funds. In Uttar Pradesh the U.P.F.F.C. makes provision for loans. This should be done on a regional basis. The area is divided into the Kumaon region, the Garhwal region and the Ruhelkhand region. This will remove the difficulties of small entrepreneurs. I strongly oppose the policy of the previous Government regarding Scooters India Limited. I request the hon. Industry Minister to let this unit remain in the public sector. The Government should not issue export licences for items produced in India. There should be a liberal export policy in respect of medical equipment and drugs. Drugs produced in India are not of international standards. So the Government should adopt a policy of liberalisation towards foreign drug companies which at present are not able to manufacture drugs in India. Large industrial houses should not be issued licences to manufacture minor items like soap.

I welcome the self-employment scheme for the educated unemployed under which there is a provision for loans upto Rs. 25,000 on Rs. 50,000.

Sir, I would request for immediate implementation of this scheme. People in rural areas should be educated on the various aspects of this scheme so that they are aware of what the Government proposes to do for them. With these words I thank you for

giving me an opportunity to speak on the Demands for Grants of the Ministry of Defence.

15.41 hrs.

[English]

SHRI AMAR ROYPRADHAN (Cooch Behar): Mr. Chairman, Sir, you know it very well that for the last 42 years we have been pursuing the policy of pro-capitalist and anti-labour, that is to say, the anti-people policy in respect of the industrial policy of the Government and naturally today I cannot expect a drastic change, yet I am supporting it.

Sir, the new Government has announced that they will announce a new Industrial Policy and I hope that in the new Industrial Policy the labourers will get an important role and I also hope that the workers' participation in the management will be ensured. (Interruptions). That is a commitment and I hope that in the new Industrial Policy that will be done.

Regarding the sick industries, I would like to say that such a policy should be adopted so that the sick industries will not be more sick and they will be healthy ones.

Sir, while I am supporting the Demands for Grants of the Ministry of Industry, I would like to draw the attention of the hon. Minister, through you, regarding the 'no industry' district. Sir, you know, in this country after 42 years of Independence there are 90 'no industry' districts and particularly these are in North Bengal, Bihar and the North-Eastern region consisting of seven States popularly known as 'seven sisters'. My friend, Mr. Tombi Singh is here, he also knows it very well how these districts are neglected for a long time.

Sir, the hon. Minister of Industry will agree with me that Amethi is not the only place where all the public sector industries will be set up. There are other 'no industry' districts in other places also. If you take the path of your predecessor, then you know, in

[Sh. Amar Roypradhan]

one Five Year Plan there is only one district covered on an average. That means, to cover all the 90 districts, it will take 90 years. So, backward areas will be still more backward and they continue to remain backward if we have such a policy. So, through you, Sir, I would like to request the hon. Minister that he should take such a step that these 'no industry' districts will be covered with a short span of time. If the public sector do not agree to come forward to set up industries in these areas, then he should take them in the public sector—at least one public sector unit in each 'no industry' district. By this way you cover all these 90 district in a very short span of time.

You know, wherefrom I come. That is, North Bengal, which is an industrially backward region. Some Ministers or officials say, 'No, no, the industries cannot be set up there because they are backward areas and viability is not there.' But I say, there is scope for industry there. My good friend, Mr. Piyus Tiraky is there. In his constituency there is one place called Jantia Hills which is near to Alipurduar where dolomite is in plenty available. The previous Government, the 'expired' Government, took a decision not to utilise this dolomite but to have a tiger project there. The previous Government did not make use of this dolomite to make cement. Then, zinc and copper is available in Sikkim, Darjeeling, Jalpaigudi and Cooch Behar; coal deposit is there in Bagracoat. The past Government, or the previous Government or the expired Government said that it is dust coal and it cannot be utilised. In West Germany and East Germany, these dust coals were properly utilised. Why not in India? This has not been utilised for a long time. You will be astonished to know that Siesmic Survey was not done in North Bihar, North Bengal, Sikkim and other North Eastern regions. The previous Government did not do this minimum requirement for the industrial growth. So, through you, Sir, I would like to request the hon. Minister to complete this Siesmic Survey in these areas. I support the Demands and I hope that they will do something

for the benefit of the backward areas of the country.

[*Translation*]

SHRI BALASAHEB VIKHE PATI L(Kopargoan): Mr. Chairman Sir, I wish to congratulate the hon. Minister for presenting the demands for grants of the Ministry of Industry. I hope that the hon. Minister will take care of the interests of farmers while forming the new industrial policy.

First of all, I would like to say some thing about the public sector, Our demand is to make the public sector accountable. And this need for accountability has been felt right from the Pt. Nehru's time as he was the person who formed the basic infrastructure of the public sector.

There is lot of hue and cry these days about participation of labour in management. I also agree with it but at the same time I feel that public sector can improve a lot if political interference is stopped altogether. Reservation for scheduled castes and scheduled tribes should be provided in private industries also as it is being done in public sector and Government organisations.

When we set up a new industry in a particular area, the people of that area should be given priority in employment. It has been often observed that the local residents of that area do not benefit much since outsiders come and grab the work available. If need be we should not hesitate in making amendments even in our law to this effect.

Many of our friends have raised the point of rural industrialisation. There is no doubt that more the industries in villages more the county will progress and it will also check the tendency of rural youth migrating from villages to urban areas in search of better job prospects.

Big industrialists will continue with to exploit the farmers in villages unless we plan to set up some agro-based industries in villages and the farmers are made partners

and given equal share. Until then, the exploitation of the farmer labourer and the region will continue. We should make efforts to set up agro-based industries and food processing industries and make the farmers share the profits. This will be not only an instrument of development but also help in setting up an exploitation free Society in our country. This is a new policy which has been adopted by many other countries. The problem of pollution has become very acute as result of tremendous increase in the number of industries that are being set up every day. Paper and chemical industries are responsible to a great extent for air and water pollution. I feel that air pollution has adverse effect on horticulture. Fly ash accumulated on the leaves of fruit trees and the effluents reduces the fertility of the soil and consequently the farmers have to suffer severe loss for no fault of theirs. I want to stress upon the point that it will be more practical to enact a powerful law instead of preparing various projects in the first place. You have mentioned in the report that small scale industries can spend upto Rs. 45 lakhs on pollution control and R & D. Earlier, the limit was Rs. 25 lakhs. That is right but since these small scale industries are directly affected by different kinds of pollution. I would like to say that different limits should be fixed in every case because the requirement for research work and import of necessary machinery for pollution control is different in each case. My opinion is that if economic viability is disturbed by using pollution controlling devices. The Government should start giving loans on more liberal terms. Right now we have adopted the policy of giving soft loan to meet the high cost of pollution controlling devices, but to sustain the economic viability of a particular industry we should give short term loans also. Presently our home production is much more costly as compared to the cost of imported goods. As you have mentioned in your report, we are finding it very difficult to sell our tractors and power tillers because of their high prices, but I have seen even small farmers using tractors and power tillers in China and many other countries because these machines cost less in those countries.

We should also try to reduce their cost by improving upon the process of manufacturing it. If we fail to do it. We will have to face lot of problems in the coming years. As a result of implementation of Land Reforms Act, the number of small farmers is increasing day by day and tractors and power tillers are becoming necessary for them. We should make basic alterations in the power tillers to make them more useful. I have seen myself that small farmers in China use power tillers of 18 hp. I have myself operated it.

Now I turn to sugar industry. I fully agree with the policy of 1700 or 1750 to 2500 metric tonnes but before issuing new licences. You should also take care of the fact that it should not in any way have any adverse effect on the neighbouring mills, I have seen it a number of times that whenever we issue any licence on the basis of political consideration, not only the neighbouring sugar mill becomes sick, but the new mill also fails to establish itself. We should be more careful in such cases. At the same time, wherever the production of sugar cane is more, we should not hesitate in issuing more licences. We have nearly 30 factories which are manufacturing machinery used in sugar mills but their R & D is of very poor quality and we have to import high technology for our sugar mills. The real problem with us is that we don't have trained technicians and engineers to operate the latest equipments that we import. I wish to say that when we import high technology, at the same time we should think of giving proper training to our technicians and engineers to operate them. We find that our education policy and modern technology have no linkage with each other. We should make necessary changes in our education policy to make it technology oriented. There is need for advance planning and expertise in technology.

Secondly, I would like to say that we should find out ways to make maximum possible use of Bagasse paper. It will make the diversification of sugar mills possible and lot of energy can also be saved. If we start using bagasse for manufacturing paper, we can save our forest and foreign exchange.

[Sh. Balasaheb Vikhe Patil]

With these words, I thank you for giving me a chance to express my views.

**DR. LAXMINARAYAN PANDEYA** (Mandsaur): Mr. Chairman Sir, I want to present my party's view point regarding the Demands for Grants of the Ministry of Industry.

I personally feel that the policy of previous Government regarding industry which we all had been following was so defective that it totally failed to bring about a balanced development in the field of Industry all over the country. Consequently, some areas had a large number of industries and there was a saturation point whereas other areas for example Bihar, Orissa, Madhya Pradesh and Rajasthan always remained backward areas. Although, sufficient quantity of raw material is available in those areas. Despite that these regions could not make any progress in the field of industry owing to same shortcomings in our policy. It is high time to form a new industrial policy and I think the Government has already thought in this direction. I understand that the new Government must have discussed the matter with all other political parties including the BJP as to what should be the layout of our new industrial policy. In this regard, I would like to request that our industrial policy should lay stress on making our industries employment-oriented. I do not want to get entangled in figures but today the situation is that, the opportunities of employment have reduced as compared to the increase in percentage of development of industries for example, in 1987 there was 8 percent rise in the industrial development whereas the opportunities employment have declined. This is the reasons why we are facing the problem of unemployment. Same is the case with other industries also and it is being said that mismanagement is prevailing in every industry. Therefore, I would like to invite the attention of the hon. Minister to this point.

Secondly, I would like to state that we have industry in both the sectors-private and

public-in our country. But what is the reason and what are the circumstances responsible for the better performance of the private sector compared to the public sector whereas it should have been the other way round. That is why, the public sectors, be it HSL National Aluminium Corporation, HMT or Cement Corporation, are often blamed for bridging their deficit increasing the prices of various commodities. Decentralisation is the foremost need of the hour. We should go in for modern technology now. Even then the performance of public sector is not better than the private-sector. I feel that we should think over it seriously and try to prepare proper guidelines for the public sector so that it can be proved that-public sector is more beneficial to people than private sector.

16.00 hrs.

I want to make another request that even the organised sector of industries has failed to generate more job-opportunities. That is why, we have not getting the desired results. We can always hope to generate sufficient job-opportunities if we give preference to agro-based industries. The reason being that even today agriculture is undoubtedly the biggest industry in our country which automatically proves it to be the biggest source available for generating employment opportunities. There has been a long standing to treat agriculture at par with Industry but the Government has not taken it seriously. If we grant equal facilities to Agriculture as in the case of Industry, then I feel that the problem of unemployment can be solved to a great extent. We should adopt revolutionary measures to achieve our goal of Creating more and more job. Opportunities in this field. Modernisation of factories and full exploitation of their capacity is also very necessary.

Today, there are a number of multinational companies in our country and now they are entering the field of Automobiles and Electronics and producing consumer items and luxury items which are useful to the rich alone. No attention is being paid to the production of items of mass consump-

tion and their availability at cheaper rates. Five-star hotel culture is being encouraged. Small-scale and medium industries are gradually closing down due to the dominating attitude of big industrial families. The speaker who spoke prior has explained the situation pretty well. Multinational companies are manufacturing almost everything—even things like soap. Therefore we must determine. What items are to be manufactured by small scale industries medium or large scale industries. And this division should be done with utmost care. We will have to ensure that the large scale industries are not allowed to manufacture small consumer items. When I was going through the Economic Survey, I found that one out of 11 small scale industry in the country is sick and though the factory has been set up there is no production. As a result, the capital is stuck, whether it was granted by Industrial Development Bank or any other financial body. On the one hand, the money has been wasted and on the other hand, large scale industries are trying to exploit the situation by grabbing those sick industries. We should give it a serious thought because only after taking all these points into account, we will be able to form a flow less new policy.

Today in the field of industry, licence policy is under a number of controls. To set up an industry, a person has to knock various doors. The industrialist can be saved from a lot of harassment if we adopt single window scheme. One has to go to one office for licence and another office for registration and some other place for money which results in sheer wastage of time and effort. We should lay stress on simple procedures whether it is Self-Employment or Rural Employment schemes if we want them to be successful. Impractical and unnecessary procedural restrictions should be removed at once. A training system should be developed on the basis of professionalism and a Central Institute for Training should be set up for management services. We must achieve excellence in professionalism, then only we can make our public sector more competent.

As far as taxes are concerned, big companies are exempted from a number of

taxes but at the same time, these provisions should be made for small scale industries also and it should be ensured that they do not face any hardships. They should be granted loan on cheaper rates of interest. In this context, I would like to cite an example of Madhya Pradesh. It is known as a backward State despite the fact that iron, cement stone and manganese are available there in plenty. But this state has not been able to make much progress in the field of industrial development only because there are some loopholes in the industrial policy of the Government. Jhabua and Bastar have plenty of bauxite dolomite and many other minerals. Iron ore is being sent to Japan for purification from Madhya Pradesh because we don't have any such factory in our country. We need to make mental changes in our policy for balanced industrial development of such backward regions. We should lay stress on promoting agro-based cottage industries and small scale industries. I wish that now we should form such an industrial policy which has a balanced attitude in every respect and does not have any of those flaws which were there earlier. We should try to provide equal opportunity and financial assistance to all the states.

SHRI RAMESHWAR PRASAD (Arrah): Around two lakh industrial units in the country are sick and have closed down. Lot of investment had been made in these units and as a result of the closure, thousands of workers have been rendered jobless. But there was no mention of reopening these units in the new industrial policy. My demand is that all such units which are sick or not operating, should be started once again. Industrial development in its real sense is closely associate with the development of the region, the people and agriculture which implies that these industries should necessarily be agro-based. Mere presence of industries for its namesake only does not ensure development of that particular region. For instance, a number of industries have been set up in Bihar but women there are still forced to carry bricks on their back to earn livelihood. Therefore, we should change our industrial policy and prepare a fresh one

[Sh. Rameshwar Prasad]

which should be balanced in every respect. A provision of Rs. 6945 crores has been made in the Budget during the current year for industries in public sector which is about Rs. 500 crores less than the provision made last year, which was Rs. 7526 crore. It is almost clear now that the Government aims at encouraging the private sector and making the public sector weak and inactive. We want that necessary steps should be taken and more capital should be invested in the public sector to make it more powerful and loans to private companies should be discontinued. It is wrong to be extra liberal with foreign or multinational companies at the cost of our self-sufficiency. Now a days, we are not able to achieve targets of commanding height. My demand is that we should lay stress on achieving such targets in order to reach commanding height, while preparing our new industrial policy. The products manufactured by small scale and cottage industries will definitely be costlier as compared to the large scale industries. The need is to keep the cost factor equal in both the cases to encourage cottage industries. Bhojpur district is still a no-industry region. A cotton yarn factory should be opened there and Dalmia Nagar factory should be reopened to provide 22 thousand labourers with jobs once again.

[English]

PROF. K.V. THOMAS (Ernakulam): Sir, I wish to bring to the notice of the hon. Industries Minister that there is a disturbing trend due to the steady decrease of the central investment in Kerala. In 1973-74, the Central investment in Kerala was 3.28. After ten years, in 1983-84, it was 1.76. Now, it is 1.23. I cannot understand why Kerala has been so much neglected by the Central Government. Ours is a State where the number of educated unemployed is the highest in the country. In this connection, I would also like to bring to the notice of the Government that all the public sector undertakings like FACT, HMT, Cochin Refineries, Hindustan Organic Chemicals, IRE, HIL are making

a huge profit. None of the public sector undertakings in Kerala have made any loss. In this context, I think, it is our legitimate right to have more central undertakings in Kerala. Moreover, there is a change in the attitude of the labour. There has been a complaint that Kerala is a place where there is a lot of labour trouble. But the people, who were creating the trouble, have now become a part of the Government. So, they have decided that there should not be any more trouble. (*Interruptions*) Both the communist friends and the people who were creating the labour trouble, have taken a very bold decision that they will not create any labour trouble, So, do not worry about the labour trouble.

Secondly, our friends in the Government earlier were against the capitalists. They said that Tatas, Birlas and Dalmias are capitalists and so they should not be allowed to survive. That also has changed in Kerala now. The Kerala Government is giving a red carpet reception to Tatas, Birlas and Dalmias. So, please use your good offices so that some other private companies and firms are also coming up in Kerala. (*Interruptions*)

SHRI AMAR ROYPRADHAN: Birla is already a member of your party. (*Interruptions*)

PROF. K.V. THOMAS: I am telling about our friend's reaction. (*Interruptions*)

SHRI A. CHARLES: He is now invited by the Marxist Government there. (*Interruptions*)

PROF. K.V. THOMAS: Sir, coir industry is a traditional industry in Kerala. Our Chairman also knows that five lakh people in the coastal areas of Kerala are concentrating on coir industries. 80 per cent of the total production of coir is also from Kerala. But, now this coir industry is at a point of no survival. Till last year you have given cash credit facilities to the coir industry. This year you have not extended it. If that cash support is not given, definitely the coir industry in Kerala cannot survive. Secondly, in coir, there should be some kind of semi-mechanisa-

tion. Otherwise it will be difficult for the coir industry to compete with the artificial fibres. In coir industry, one significant factor is the cooperative sector that is functioning in Kerala. But unfortunately this cooperative sector is also under the grip of the two communist parties. As a result of this, whatever amount you are sending from Delhi, does not reach the real coir workers. So, the Government should find out what better method could be adopted so that the amount sent by you to Kerala for the survival of the coir industry reaches the real coir workers.

We have given some proposals from Kerala. One is to set up a new Ammonia-Urea Complex. There is a proposal to give a Ammonia-Urea Complex for the southern States during the Eighth Five Year Plan. I request the Government to allot this Ammonia-Urea Complex to the FACT which is a profit-making concern.

Cochin Refineries is one of the major oil refineries in South India. It is also making a huge profit. They have submitted proposals for the expansion of the refinery as well as for starting new petro-chemical projects surrounding the Cochin Refinery. When the Cochin Refinery was started, one of the aims was to start a number of petro-chemical projects around Cochin. But we have not succeeded so far in this.

Another important point is that the ONGC have announced that they have detected a sizeable quantity of petroleum in the Arabian Gulf region which is equivalent to the Bombay High. So, in that connection, a new oil refinery can also be started in Kerala. Kerala is one of the States manufacturing natural rubber. But unfortunately all the products connected with natural rubber are being manufactured in other States. One of the reasons is the unscientific attitude of the Government.

For example, in Kerala, there are a large number of small industries. But if any of those industries manufactures goods worth more than Rs. 25 lakh per year, is consid-

ered to be a major industry. Then, the tax structure changes. So, unless you take a scientific attitude towards the industries connected with natural rubber, we cannot start any industry in Kerala which is the main State producing the natural rubber.

We have a lot of bamboo. The State Government itself has got a Bamboo Corporation. Unless the Government of India is prepared to give us a helping hand, our bamboo industry cannot survive. Earlier, the Government of India has given institutions to all the Central Government offices that they should take bamboo mats. We are prepared to give bamboo mats at a very reasonable price. But what the Central Government offices do is, instead of taking bamboo mats, they take the artificial mats at a higher price.

I request the hon. Minister to give special instructions to all the Central Government offices that bamboo mats should be taken either for the floor mats or for decorative purposes.

Unfortunately, the public sector undertakings are always being criticised that they are white elephants. But look at the answer you have given in the Parliament. There are 27 public sector companies which do not have either a Chairman or a Managing Director for the last two years. The National Textile Corporation (UP) Limited has no Chairman and Managing Director from 1985 onwards. How can a public sector company survive without a Chairman and Managing Director? In my own State, there are two major public sector companies without Chairman and Managing Director. Every year you are changing the Chairman and Managing Director of the Cochin Shipyard. In another public sector company also, namely, FACT, there is no Chairman and Managing Director. My request is that you should select anybody whom you like and appoint them as the Chairman and Managing Director immediately. In the case of public sector, you have your own choice of Chairman and Managing Director. But once you have selected them, you should give them the full authority. I know that you are a responsible Govern-

[Prof. K.V. Thomas]

ment. But I want them to be given full authority.

Another point is about small scale industries. Unless the small industries are fed, they will not survive. They cannot compete with the major industries. They should be given raw materials. In Kerala, the small industries do not get iron, steel and cement. One of the major small scale industries is candle manufacturing industry. We are not getting paraffin wax. The price of paraffin wax has already gone up. So, I request the Government to see to it that we are allotted sufficient paraffin wax so that for the coming Christmas season, there will be enough candles available to the people. With these words, I conclude my speech.

[*Translation*]

SHRI RAM KRISHAN YADAV (Azamgarh): Hon. Chairman, Sir, India is a vast country with huge population. Besides, it is rich in minerals and cheapest labour in the world is available here. Therefore, industrial development and revolution should have been the logical consequence. But I am sorry to say that owing to the wrong policies of Government, we could neither achieve industrial progress nor industrial development. I feel that the entire industrial power is in the hands of a few capitalist houses like Tata, Birla, Dalmia and Goenka. Due to the conspiracy hatched by them and some Government officials, the public sector has failed to progress and the entire industrial power has been grabbed by these big houses.

Therefore, I think that our country can progress a lot if these big houses are deprived of their industrial power. I would like to suggest that no licence should be given to these big houses any more and emphasis should be laid on the promotion of public sector industry for the industrial development of the country. Again no licence should be given to set up big factories for manufacturing those things which can be manufactured by small-scale and village-based agro-in-

dustries with the help of small capital and few labourers. All big factories of steel, cement and fertilizer should be under Government control while smaller factories of soap and aluminium wares should be developed in villages. Licence for these industries should neither be given to the capitalists nor to the public sector. These industries should be left for cottage industries so that villages could also progress and industrial development could be accelerated. I would like to submit that even today there are many traditional professions in which thousands of artisans are engaged like the potter, blacksmith and those who make pattals (leaf plates) but due to lack of education, they fail to develop their technique. It is the responsibility of the Government to organise training camps to refine their techniques and skill so that they may turn themselves into skilled craftsmen, develop cottage industry and manufacture fine things. There is enough scope for agro-industries also. In my own constituency, Azamgarh, plenty of sugarcane is produced but there is just one sugar-mill. This forces the farmers to wait for 8-10 days for crushing the sugarcane. Sometimes they have to go back disappointed and sometimes the sugarcane dries in the fields itself. Similarly, many other things are produced like the potatoes but even they rot for want of proper marketing facility. The farmers have not been trained. Discouraged by all this, the farmers have now given up the cultivation of sugarcane. Therefore, agro-industries are a must to enable the farmers to progress. I think that electricity is indispensable for industrial growth anywhere in the world. Most of our indigenous industries which are either sick or have closed down is because of the non-availability of electricity. Since almost all the industries are dependent on electricity the Government must generate more electricity so that small scale industries are set up in the villages. If small-scale village based industries are supplied electricity just as the heavy industries, there would be development and progress in our villages.

Another suggestion is regarding the good technicians, overseers and engineers and scholars who migrate to foreign coun-

tries for money after receiving their education. Their migration is a heavy loss to our country as they go to other countries after being educated in this country. The Government should adopt a policy which would check this brain-drain for at least some time so that the overseers and engineers educated in this country remain here and work for the betterment of the country.

Again, I would like to submit that our thinking is also to be blamed. The production and manufacturing are the means of development for any nation but in our country the politicians as well as our countrymen have lost confidence in them. Our education system produces clerks, I.A.S. and I.P.S. officers and does not believe in production. There is no dignity of labour in this country and the people here believe in capitalist system. This mentality should change and people's faith in dignity of labour should be restored and workers should be respected and recognised.

[English]

SHRI A. CHARLES (Trivandrum): Mr. Chairman, Sir, there is an alarming news that the Vigyan Bhavan is under a serious fire. A conference of police officers of all the States is going on there. There is a huge fire. We are worried about their security. I would request the hon. Home Minister to make a statement. The conference that is being held at the Vigyan Bhawan is of the top police officers from the various States.

MR. CHAIRMAN: You have conveyed the news. The concerned person will look into it.

SHRI A. CHARLES: We want a statement from the Home Minister.

MR. CHAIRMAN: If there is any need for a Statement to be made, he will take care of it.

SHRI HARISH RAWAT: It is a very serious matter. We are all concerned about it.

PROF. MADHU DANDAVATE: We are equally concerned about it.

MR. CHAIRMAN: Yes, Mr. Yadav, you please continue.

[Translation]

SHRI RAM KRISHAN YADAV: Hon. Chairman, Sir, I was submitting that there should be a change in the psyche and labour force should be valued more than the capital. There is no dignity of labour in this country whereas the clerks, I.A.S. and I.P.S. officers are respected. Unless, there is a change in this mentality, there can be no change in industrial scenario of the nation. I would like this country to move towards socialistic pattern and to come out of the mire of capitalistic system so that a congenial atmosphere is created for industrial development. With these words, I conclude my speech.

DR. S.P. YADAV (Sambhal): Mr. Chairman, Sir, while supporting the Demands for Grants of the Ministry of Industry, I would like some changes to be made in the industrial policy as the present Industrial policy was formulated some 40 years back by the Congress Government and has now become outdated. This policy has done little good to the nation. Since the development of the rural areas is a necessity, industry can be made to play a major role in it. The Government should think how rural development can be accelerated. The barren land of rural areas should be utilised for setting up industries. There are many chemical industries which create pollution. The chemical factory at Gajraula is one such instance. The effluents have made the river water poisonous and even animals do not drink it. If they do, they die. This has created mosquito menace also. So such industries should be set up on barren land in rural areas. On the one hand this is the condition whereas on the other hand there is mushroom growth of industries in cities. The cities are undergoing continuous expansion and as a result there is increase in population also, and this is creating more problems for cities. Therefore, the industries should be set up on barren land

[Sh. S.P. Yadav]

and it would be easier also.

There is yet another problem related to industries. The Financial Corporations give loans to industries in various States. If an industry financed by them becomes sick due to certain reasons, then despite small amount of loan, they auction the factory and the family is put to lot of trouble. I would like to cite an example. A small unit by the name of 'Aroma Chemicals' was set up in Chandausi town in Uttar Pradesh which manufactured peppermint. A chemical engineer was given a loan of Rs. 2 lakhs for setting up this factory in 1972. But owing to the misrule of Congress Government, Menthol price kept fluctuating between Rs. 100 per kg and Rs. 400 per kg and this forced the factory to close down. At this the U.P. Financial Corporation auctioned that unit with assets of at least Rs. 10 lakhs for a mere Rs. 1.15 lakhs and received a lot of black money. Mr. Chairman, Sir, the Government must lay down the terms and conditions considering the amount of loan for auctioning as there is lot of scope for corruption under the present laws. How come that a unit which did not repay a loan of Rs. 2 lakhs and an interest of Rs. 2 lakhs was auctioned for merely Rs. 1.15 lakhs? This gives a glimpse of the mess that has been created by the heavyweights of the Corporation who were appointed by the Government or through the representatives of the Government. The auctioning of the industrial units is a daily news and the sale deed of a number of factories have been cancelled by the High Court.

I would like to request the hon. Minister to conduct a survey of those industries which were auctioned without the proper recovery of Government money. Another survey should be conducted about the possibilities of setting small-scale industries in rural sector. I would like to cite one more instance. Bahjor town of Moradabad, is known for the oldest glass works factory but due to the wrong policy of the Government, the industry has been ruined and number of labourers have been rendered jobless. Quality glass work

was done there but today it is in a shambles. I would like to request the hon. Minister to take care of all such sick units and ensure how they can be revived.

Besides, some agro industries should be set up in Sambhal Lok Sabha Constituency, which I represent and which is a backward area. This should be done to accelerate the pace of development there. Sambhal produces toys of horns, show-pieces and excellent jewellery. I would like to request the hon. Minister to give adequate encouragement to people, small artisans engaged in these trades so that they may earn their livelihood comfortably.

Sir, these units are very small and they fail to get Government help and assistance as they are not included in the Government survey. Nevertheless, they contribute in export and earn foreign exchange for the country. Sir, I would like that a survey be conducted and they be provided help and assistance. A survey about availability of raw materials and possibility of setting-up small-scale industrial units should also be conducted and appropriate action should be taken.

There is yet another place called Daf-tara in my constituency. It is one of the biggest producers of tomatoes. So if a tomato sauce factory is set up there, it would provide work to many people.

Mr. Chairman, Sir, I would not like to speak any more but stress that the hon. Minister should formulate an industrial policy which would put an end to the corruption that had set in during Congress rule and help in accelerating industrial development.

16.41 hrs.

[English]

MR. CHAIRMAN: Now Mr. Dennis.

PROF P. J. KURIEN (Mavelikara): Sir, I want some information about the reported fire..(Interruptions)

MR. CHAIRMAN: Let them make enquiries. I cannot press them.

PROF P.J. KURIEN: Mr Dandavate has heard about the reported fire. We want some information. If he has some information, he may share it with the House.

THE MINISTER OF FINANCE ( PROF. MADHU DANDAVATE): Mr. Kurien, the difficulty is that if I make some *ex tempore* statement on the basis of information from the Minister of Parliamentary Affairs, and if something is missing, tomorrow I will face a privilege motion. So, it is better that a comprehensive statement or information is given by the Minister concerned.

I have already found out some *prima facie* case: how it happened, how had the short circuit taken place; nobody has died-all that I know. But I will not say it officially.

PROF P. J. KURIEN: Mr. Dandavate, whatever information you have, please share with us.

PROF. MADHU DANDAVATE: That will come. (*Interruptions*)

MR. CHAIRMAN: Now Mr. Dennis.

16.42 hrs.

[*English*]

SHRI N DENNIS (Nagercoil): Sir, our country is basically an agricultural country, and about 75% of the people depend on agriculture. But agriculture alone cannot solve unemployment and other economic problems of the country. We have to reduce the number of persons depending on agriculture, and they have to be made to opt for industry.

In the agricultural sector, we have actually achieved our target of self-sufficiency. So, our attention has to be turned towards the industrial development of the country. At the time of independence, our industrial development was almost 'Nil'. Since inde-

pendence, an industrial climate has been created; and our industrial production is now five times that of the industrial production in 1951. But this improvement is not enough. We rank third in the number of scientists and technologists in the world; but we rank tenth in industrial production. Our scientists and technologists are knocking at the doors of foreign countries, for jobs. Their knowledge and experience could be better utilized for the industrial development of our country.

Japan has achieved industrial progress and prominence; so also some other countries like Korea. The Japanese treat their products with the label 'Made in Japan' as prestigious products. They maintain the high quality and standards of their products. They do hard work, and they have advanced in technology and modernization. We can follow their model.

Their market is not confined to a particular village, district or State. It is internationalized. So, our goods must also have international standards, to withstand the keen competition.

16.44 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

The quality of our goods must be good, if we have to promote exports. Good quality products should be encouraged, and bad quality products should be discouraged. Regarding technology, we have to cope up with the fast-changing technology of the modern days. But we are importing technology from foreign countries. We are importing even those equipments that we could make in our country. We are not developing indigenous technology.

We are assembling various parts of the equipments imported from foreign countries. This practice would not take us to self-reliance. Labour is comparatively cheap in our country. So also with cheap labour as raw-materials available we can attain industrial progress.

[Sh. Dennis]

Power is an important ingredient for the development of industries. That has to be generated effectively. Regarding backward areas, our policy is to remove imbalance in the country. The Industrial Policy Resolution of 1956 is for the dispersal of industries away from metropolitan cities and towns. But industries are emerging in metropolitan cities and towns and the rural population is migrating to cities and towns. There is congestion and concentration of industries in cities and towns. Therefore, licences should be given for the establishment of industries in the backward areas and rural areas and not for the establishment of industries in big cities and towns.

Some districts had been identified as backward but even today they remain backward without industrialisation for long. Such areas should be taken into consideration separately. A special approach should be adopted to suit the circumstances and the nature of the place for industrial development. For their development, infrastructural facilities should be created for their industrial development. I wish to point out that Kanyakumari District has been identified as an industrially backward district. But not even a single industry either in the public sector or private sector has been established there. Mere classification or identification of that district as an industrially backward district is not helpful at all. The tempo of implementation goes down and down in consonance with the distance it travels; and when it reaches distant places like Kanyakumari, there everything subsides without anything left out for implementation. So, we have to pay attention for the industrialisation of such distant areas. Kanyakumari is far away from the Central and State Capitals, New Delhi and Madras. There is ample scope for the establishment of rubber based industries, titanium industry, zirconium industry, coir industry and fibre industry, tyre industry and industries whose raw-materials for the establishment of these industries are found in abundance there. So, attention should be paid for the establishment of these indus-

tries there. Kanyakumari District be included for the implementation of the "Growth Centre Scheme". The number of these "Growth Centres" in the first phase has to be increased. Moreover, the central investment subsidy scheme should not be given up; it has to be revived; or else, before the implementation of the "Growth Centre Scheme", there would be a vacuum and there would be no scheme for industrial development in the backward area. In Tamilnadu, in the last 20 years, not even a single industry in the public sector had been established; this aspect of omission has to be taken into consideration for the establishment of industries there.

Regarding public sector industries, at the time when the policy was adopted, it was expected that the wealth generated out of public sector industries would be utilised for the establishment of furthermore industries and other developmental works. Such Public sector industries are running at a loss; whereas their counter-parts in the private sector are earning profit. This is due to mismanagement and unnecessary spending on unproductive schemes by the management.

16.50 hrs.

Therefore, the profit is less there. Persons committed to the tasks assigned to them have to be appointed as heads of the public undertakings. A restriction also has to be put on their indiscriminate spending.

Regarding small scale industries it is not possible to provide employment to the large number of unemployed persons by big industries alone and small scale industries have to be promoted. About one crore of people are employed in the small scale sector. Incentives given are not enough. Adequate working capital has to be provided for the running of small scale industries so that they function as viable units. Subsidy given to these small scale industries is not given at the proper time and that point of delay also has to be taken into consideration rectification.

Another aspect is infiltration of big business houses in the area of small scale industries. This should be stopped. They are snatching the benefits meant for the small scale industries, and the big business houses should not take away those benefits.

Khadi and Village Industries, Commissions and State Khadi Boards have to start job oriented cottage industries small scale industries. They should also set up these industries in the villages and not in district this aspect headquarters and towns.

[Translation]

SHRI CHAND RAM (Hardoi): Hon. Deputy Speaker, Sir, I wouldn't take much of the time of the House. I am pleased to note that the portfolio of Industries has been entrusted to Chowdhary Ajit Singh, the son of Chowdhary Charan Singh. Chowdhary Charan Singh always espoused the cause of rural areas and wanted to bring about radical changes in the villages so as to ensure their speedy progress and development and usher in an era of prosperity in the country. The time is ripe now, I suppose, for the Government of Janata Dal to review and reconsider its policy of industrialisation. Mahatma Gandhi had blessed and Dr. Vishwaysharaia had formulated an action plan for industrialisation when I was studying at Lahore. If we only translated that plan into action, much of the problem can be solved. His plan on the one hand envisaged the need for the establishment of small and cottage industries in the villages and for every type of encouragement to such units, and on the other, it was against such heavy industries as contribute towards unemployment. If our policy on industrialisation is based on these principles, the objectives of our Planning Commission and of the Government for the development of this country can be easily achieved. Unemployment and poverty can not be removed merely by formulating plans, disbursing huge sums and by establishing electronics industries. The only key to removing poverty is to put in sincere efforts in the direction of implementing Gandhiji's plans which were ardently supported by Chowdhary

Charan Singh. It is said that most of the textile industries are made sick in this country and thereafter given a subsidy of Rs. 800 crores or any other assistance so as to revive them. But after they regain their health and start functioning normally, they are handed over back to their proprietors. I am at a loss to understand the rationale behind this policy. Chowdhary Charan Singh had revealed with the help of figures the number of weavers who are thrown out of employment with the installation of a single textile mill. In my letter addressed to hon. Vishwanath Pratap Singh, I had written that there are plenty of English-speaking intellectuals in the Planning Commission but there are no downtrodden and backward villagers as its members:

"Jis ke pair phati na biwai,  
woh kya jane peer parai."

I may cite an example of shoe-manufacturing in this context. If you close down or impose ban on exporting shoes on Bata Company that manufactures shoes on a large scale, millions of people can get employment. Bata company gets its shoes manufactured from the villages of Delhi and Agra and puts on its seal on them. Labour is thus put in by the poor villagers or the poor shoes-makers and the profits are earned by the company. The State Trade Corporation too issues licences as well as places its orders through the middlemen or the brokers.

In the profession of weaving, we have handlooms and powerlooms. Such bundles of cloth of muslin as pass through a ring are manufactured in India but now the Indian weavers are running from pillar to post in distress. Thread is not available to them as market is not available to them. A simple solution to this problem is to provide work to the villagers and close down the large industries. These large industries are being closed down because they are running at a loss and the brokers also exploit the situation. The village artisans are in a miserable condition but the people whom they sell their products have become millionaires. This is not a

[Sh. Chand Ram]

healthy trend. There is no difficulty in solving these problems if only our planners think of devising methods of removing poverty and unemployment. There is no need of much ingenuity in it. Though the portraits of Gandhiji have been installed in every department, ministry and the Parliament, we are reluctant to follow his teachings. Why were so many years taken to diagnose the disease of unemployment? I am fortunate to be elected to this house from the Hardoi constituency of the biggest state of U.P. to which I have shifted from Haryana. U.P. accounts for the lowest per capita income in the country. There is no industry there despite the fact that our Prime Minister too comes from that state. The reason therefor is that little attention is paid to U.P. The people of Hardoi asked us during elections whether we can set up an industry there. I was stunned to hear that. People will cast their votes in our favour only if an industry is set up there. Thus, I promised them that I would see that an industry is installed there within three months or else I would resign. Now it is upto you to think over the matter.

I don't want to take much of your time. You should give serious thought to our planning process. Our socialist Finance Minister is present here and I wish him to go back to the policies enunciated by Gandhiji and Chowdhary Charan Singh. I wish him to take full advantage of this opportunity to change the course of history by translating those policies into action.

Sir, I don't want to go into the statistics. I only hope that Chowdhary Ajit Singh, the son of Chowdhary Charan Singh would bring about a transformation in the whole system and the approach. People from rural areas are migrating to Delhi, creating slums and jhuggi-jhoupries here. This adverse trend can be checked if such transformation is brought about. With these words, I thank you.

17.00 hrs.

[English]

THE MINISTER OF INDUSTRY (SHRI AJIT SINGH): I am indeed grateful to the hon. Members who have participated in the debate and given many valuable suggestions aimed at creating an atmosphere for sustained industrial growth. They have raised important issues concerning the strategy to be adopted for accelerating industrial growth.

It is not possible in the time at my disposal to reply to all the issues raised by the hon. Members, especially the one about the industry in Hardoi. However, I would like to dwell upon some of the major policy issues concerning industrial growth.

At the outset, I am constrained to observe that while our economy has grown reasonably well in the past few years, the benefits of such growth have not been widespread. While industries have grown resulting in a growth of an average of 7.8 per cent in the Seventh Five Year Plan, growth in employment in these industries has not been proportionate. The sector has not made adequate contribution to solving the problem of unemployment. Industrial development, therefore, should result in maximisation of employment, a principle which also finds a mention in our election manifesto. Secondly, there has been some mis-direction in investment. Production of items of elitist consumption has picked up and production of mass consumption goods has not received the investment that it requires. Thirdly, there has been regional imbalances in industrial development as the benefits of industrial growth have remained confined to a few areas in the country. This has further been compounded by the lack of adequate attention to the small scale, cottage and village industries sector. Fourthly, the programme for technological upgradation and modernisation has also not progressed with the speed that is required and, therefore, our industry has not achieved sufficient competitiveness to be able to compete internationally. Finally, amongst the major drawbacks, I would also like to draw

the attention of the hon. Members to the fact that industries have not taken the full benefit of agricultural development and, therefore, the two sectors have not built the strong inter-linkages that are essential for making our economy strong and balanced.

In order to evolve the strategy for industrial growth and development, we have to keep in mind the deficiencies of the past. We also have to keep in mind our policy of socio-economic development which centres round the people, their right to productive and gainful work and eradication of mass poverty. In this light, the most important objective, therefore, for the industrial sector would be to ensure development of industry in a manner which maximises employment. This would be done not only in promoting larger investment in those sectors of production which are inherently labour-intensive, but also by ensuring that where alternative choices of technology are available labour intensive technologies are given preference. Whereas industrial production accounts for over 25 per cent of our national product, it provides only 12 per cent of our total employment. There is, therefore, an urgent need for making the industrial sector broad based for maximising employment. The resultant increase in the effective size of the Indian market would further boost industrial development. Analysis of data collected through the annual survey of Industries has revealed that the fixed investment for creating one work place in the large scale sector was about nine times that in the small scale sector. It is, therefore, but natural that the small scale sector receives our greatest attention. We attach the greatest importance to the growth of this sector as this sector alone can help in achieving the twin objectives of providing gainful employment to larger number of people and in ensuring dispersal of industries for a balanced regional growth. This would also help us in our determined effort for reduction of poverty and also for reduction of disparity in income, wealth and standard of living of our people. This sector has shorter gestation period and is adaptable for semi-urban and rural environments where infrastructure is not fully developed.

This sector also has the capacity to attract small savings and divert them to productive channels.

A sustained growth of the small scale sector is not possible without modernisation and continued technological upgradation. This is also important from the point of view of enabling small scale units to produce quality goods at reasonable prices. While they are already contributing to the export effort, it will enhance their international competitiveness and their capability for increase in exports. Because of the inherent flexibility and dynamism which the small-scale sector exhibits, the range of products produced in this sector can increase easily. Since the small-scale sector is already widely dispersed, by adopting supportive policies we should be able to remove the imbalance in regional growth of industries so that all regions of the country get the benefits of industrialisation in a more equitable manner.

To provide financial assistance to this sector, this Government has already decided to restore the investment subsidy scheme which was discontinued in October 1988, with one important change that this subsidy will only be given to the small-scale sector in rural and backward areas. For sustaining a rapid rate of growth of the small-scale sector, we have to tackle the problem of non-availability of credit in adequate measure on time. The decision of Government to set up the Small Industries Development Fund is intended to find a solution to this problem. In addition, the National Equity Fund in the IDBI and introduction of the "single-window" scheme in the State Financial Corporation, will ensure flow of credit to units in this sector. From 2nd April this year, the Small Industries Development bank of India has become operational. Since it will exclusively look after the refinance needs of the small and tiny units, it will greatly assist in the promotion of new units and in strengthening the existing units.

Apart from credit, in order to provide protection to the interests of the small-scale units, Government had announced a list of

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items reserved for production exclusively in the small-scale sector. The list contains 836 items. There have been complaints regarding encroachment into the reserved area by large and medium scale units. Government have set up a Committee to deal with such cases effectively and promptly.

We intend to closely monitor the flow of credit to the small-scale sector and also the action taken on violation of the reservation list so that the small-scale units get the full benefit of all the policy measures of the Government which are meant for the development of this sector.

The present investment limit in the plant and machinery for small scale sector is fixed at Rs. 35 lakhs and for ancillaries at Rs. 45 lakhs. It has been estimated that about 90 per cent of the small scale units have an investment below Rs. 2 lakhs and about 95 per cent units, below Rs. 5 lakhs. Some industry associations and industrial units have suggested that the ceiling limit should be revised. The present limits were fixed in 1985 and if we take into account the escalation in the cost of plant and machinery and the need for modernisation and upgradation of technology, then this limit has to be raised. On the other hand, there is a strong feeling of a section of industry that since 90 per cent of the small scale units have an investment below Rs. 2 lakhs, therefore, there is no case for increasing the investment.

Government will take into account all these view points while evolving the policy frame-work. It is our considered view that there is an imperative need to recognise and accept the existence and rationale of three different sub-sectors of the small-scale sector. This first and the foremost is the village sector which refers to cottage or household enterprises. This sub-sector has tremendous potential to combat poverty by providing opportunities for work and for utilisation of local resources and skills with relatively low investment and minimal dislocation. The second sub-sector is what is known as the

tiny sector which accounts for the majority of the units in the small scale sector and has shown its capability to promote growth, employment and technology absorption. The tiny sector will receive the fullest protection and support so that there is no erosion of its access to credit, market share and economic viability.

The third sub-sector pertains to what is called the modern small scale sector, which has the potential to bring about self-reliance and achieve international competitiveness. The Government will keep in mind the distinctions and frame policies which would ensure that all the three sub-sectors realise their full potential and make their contribution towards growth, employment and trade.

The village and Khadi industries constitute an important segment of the economy. Since this sector deals with very widely dispersed artisans, it is important that attention is given to its sustained growth. This will help to increase the level of earnings of artisans, sustain and create avenues of self-employment and also ensure regular supply of goods and services in local markets through the use of these skills. It would also help to preserve the country's proud tradition of craftsmanship and artistic heritage. In fact, the village and cottage industries seem to be the main hope for the development of our people especially in the hilly and mountainous regions of our country. The programme for support to this sector will also play an exceedingly important role in creating employment opportunities and in preventing undesirable migration from rural areas to towns and cities. In this context, the Khadi and Village Industries Commission will be energised to play an important role. Since the programmes of the Commission are aimed at providing a large share of employment to members of Scheduled Castes and Scheduled Tribes, and also to women, strengthening of the activities of the Commission will also help to achieve the important objective of Government to improve the condition of people in these categories. The main thrust of our policy in this sector would be to upgrade the technology of the artisans

by supplying improved tools and equipment, raw material and marketing support and also improve their skills through training. In regard to marketing support, it will be our policy to focus production of mass consumption goods in rural areas in units in this sector. It is our intention to set up a marketing organisation which will operate at the all India level. It will provide marketing support to these industries and, where possible, organise sales of their products even in large metropolitan towns and cities. It will also help in exploiting the full potentials of these goods for exports.

In order to take up these programmes effectively, Government have already set up a new department in the Ministry of Industry. This department will be responsible for small-scale industries, the village and cottage industries and also agro-based industries. In order to collect reliable and comprehensive data on the basis of which detailed plans can be prepared, Government have already launched the second All India Census of registered small-scale units. The new Department will thus take up realistic planning and implementation of the schemes outlined earlier, in a purposive manner.

While I intend to bestow particular attention to the small, village and agro-based industries sector, I am fully conscious that we will need to pay attention to the problems of industries in the medium and large-scale sectors also.

In the present stage of our development, there are many areas of deep concern. Our Balance of Payments position is under strain. Our productivity is low as compared to the industrialised countries. There is a common perception that the goods produced by the Indian industry are not of the desired quality and do not possess the strength to compete internationally. We have to tackle all these problems in a decisive manner in the immediate future and I am determined to do so. We have to go along an accelerated and sustained industrial growth path. For all this to happen, there has to be substantial investment in modernisation and

technological upgradation in the large and medium sectors also. We have to increase our competitiveness in the international market through injecting substantial competition in the domestic market. Unfortunately, the policies of protection to the Indian industry in the domestic market so far followed has only led to a premium on inefficiency. We cannot continue such a policy. We will, therefore, bring about increased competition within the domestic market and also gradually expose our industries to international competition. In order to achieve a higher rate of growth of the industrial sector, it is also necessary to free our entrepreneurs from the rules and regulations which inhibit their initiative. Bureaucratic control has to be reduced. Changes will be introduced in licensing with the objective of enabling a substantial part of industry to function without control. I am already in the process of reviewing the existing policies and hope to introduce the new revised policy shortly. I expect that, thereafter, there will be greater transparency in the rules and regulations. These reviews will also reduce the scope for the use of discretion which has often been found to be arbitrary and leads to corruption.

Honourable Members have made reference to the weakness in our public enterprises. Mention has been made of their desired role in the development of the core sectors of our economy from commanding heights. However, it has also been stated that they are not functioning well. I am aware of the weakness of our public enterprises in regard to inadequate resource generation, poor project management, high capital output ratio, over-manning, high cost of production and lack of continuous technological upgradation and inadequate attention to research and development. These are genuine concerns which particularly afflict the public enterprises. Although some improvement is discernible in the management of these undertakings, there is still considerable scope for improvement. There is a need for stepping up the efficiency and productivity as also generation of adequate internal resources to meet the requirement of investment and growth of the public sector itself

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apart from contribution to the overall national economic growth. We propose to bring about a White Paper on the public sector in which these aspects will be looked into. I would be addressing myself to various steps necessary for the improvement in the performance of public sector like labour participation in management, participation of employees and public in the equity capital of the enterprises and greater commitment to functional autonomy concurrently with public accountability. A critical review of the functioning of the loss-making undertakings will also be gone into and efforts initiated to make them profitable. Some hard decisions may also be necessary in cases of those public sector undertakings which have either outlived their utility or whose performance cannot be improved.

Some concern is expressed regarding the activities of large industrial houses and the restrictive and unfair trade practices being followed in the market place which affect the interest of the general public adversely. Here, we have to make a distinction between the legitimate industrial and business activities of large sized companies and industrial and trade practices which are inimical to consumer interests. To that extent, strong legal action will be taken against any enterprise indulging in monopolistic, restrictive or unfair trade practices, which include charging unreasonably high prices without relevance to the cost of production, manipulation of prices so as to impose unjustified cost on the consumers, misleading the consumers through false advertisements and marketing products and providing services of sub-standard quality. The present legal provisions relating to these activities will be further tightened.

Numerous complaints have been received from depositors regarding non-refund of fixed deposits on maturity and of non-payment of interest on these deposits from many companies. Earlier, apart from approaching a civil court for relief or asking for winding up of the defaulting company, the depositors had no other means of getting back their money. We have now empowered the Company Law Board to entertain appli-

cations in such cases for directing defaulting companies to refund the due amounts.

Honourable Members have expressed deep anguish over widespread sickness in the small sector as well as in the large and medium sectors. I share their concern. As hon. Members are aware, there is already a statutory body, Board for Industrial and Financial Reconstruction, which has specially been set up to look into industrial sickness of large and medium sectors and to formulate rehabilitation packages for such of those as can be viably turned around.

SHRI HARISH RAWAT (Almora): Is there any recommendation?

SHRI AJIT SINGH: Yes; BIFR has given many recommendations.

*(Interruptions)*

We are also thinking about how to either prevent or cure widespread sickness in the small-scale sector. Hon. Members have also spoken about nationalisation. At this stage, I would like to point out that the accumulated experience of the Government in managing nationalised and taken-over industrial units has not been satisfactory. We have not been able to run on a viable basis most of the nationalised and taken-over units. It is, therefore, our policy not to nationalise industrial units any longer. Hon. Members would agree that scarce resources of the country cannot be frittered away over units which cannot be run on a sustained viable basis.

SHRI MURLI DEORA (Bombay South): You are rejecting new nationalisation.

SHRI AJIT SINGH: We will not take. State Governments are taking over. However, I would add that if any State Government wants to nationalise any sick unit and run it from its own resources, I would be prepared to consider such a request on a case by case basis.

SHRI SOMNATH CHATTERJEE (Bolpur): What will you give?

**SHRI AJIT SINGH:** We give approval. It is for the Finance Minister to do whatever he can.

In this context, I would commend for serious consideration by the hon. Members, the suggestion that in place of the non-viable sick units, a new industrial undertaking could be started in which the labour force of the sick units could be employed after re-training. This would serve the twin purpose of investment for productive purposes as well as provide employment for the labour force rendered jobless.

I once again thank the hon. Members for the interest they have shown in industrial development and for their valuable suggestions in this regard. I would now request the House to pass the demands for grants of the Ministry of Industry. (*Interruptions*)

**SHRI SOMNATH CHATTERJEE:** I find that the hon. Minister has today said that Government has adopted the policy of not nationalising any industry. Even if an industry which was not properly managed earlier had become sick, which can be managed properly and can be made viable, even with regard to those industries, is it the Government's policy that they will not be nationalised? I would request the hon. Minister to make it very clear. What will be the future role of BIFR? Shrimati Subhashini Ali pointed out that BIFR is sitting on various proposals and cases of various companies and they are not duly performing the job for which it has been set up except trying to wind up the companies. In these matters where sickness is not lessening unfortunately sickness is accentuating. We have to have a proper policy as to what will happen to the workers. The hon. Minister said that the labour force are to be re-employed. How are they to be re-employed in respect of some of the closed industries? Who will take up the responsibility of running it? Where from the finance will come? If you pass on the responsibility to State Governments, how the State will get the resources? Therefore, I would request the Hon. Minister to make it a little more clear because even now grey areas are there. We

are unable to understand what is the policy of this Government.

**SHRI AJIT SINGH:** It has been the policy of the Government for quite some time not to take over sick units. As far as the State Governments are concerned, as I said, they will consider it their responsibility to know the reasons for sickness of those units and if possible take over the sick units.

When I am talking about the re-employment of labour, as I said, the suggestion is that a thought may be given to using the assets of the sick companies and, in that sense, I use the labour also so that viable units could be set up using the same assets.

**SHRI SOMNATH CHATTERJEE (Bolpur):** What will happen to the liabilities?

[*Translation*]

**MR. DEPUTY SPEAKER:** We had a full-fledged discussion for not less than 8-9 hours just now.

**SHRI MURLI DEORA:** I didn't receive the reply.

**MR. DEPUTY SPEAKER:** I am giving you some time to ask the question provided it is a question in the real sense of the word. Many hon. members have raised their hands and we don't have much time. The hon. Minister may then reply all the questions together or one by one.

**SHRI ISHWAR CHAUDHARY:** For the last 42 years, no industry in the internationally reputed district Gaya of Bihar has been set up. This has provoked terrorism and subversion there.

My second submission is that the Rohtas Group of Industries stands closed for years now. Consequently 15 to 20 thousand people have been rendered unemployed so much so that even after selling off their assets, including their clothes and homes, they are unable to make both ends meet and have

[Sh. Ishwar Chaudhary]

been driven to the brink of starvation and suicide. Does the Government propose to establish an industry under the new industrial policy in Gaya or revive the Rohtas Group of Industries? (*Interruptions*)

MR. DEPUTY SPEAKER: 8-10 hours' time has passed. If we go one by one, almost equal time will be consumed further.

[*English*]

SHRISONTOSH MOHANDEV (Tripura West): Sir, I would like to ask only three questions. My first question is: Whether Government is considering to introduce the transport subsidy which is to be given. It is not intelligible from the hon. Minister's reply. Secondly, in the past, in the backward districts for the hotel industry there used to be subsidy, specially for the development of tourism. The hon. Finance Minister the other day said that it is for the Small-Scale Industries. But hotels are not coming under Small-Scale Industries. Is the Government considering this proposal? Thirdly, in his reply, the hon. Minister has stated that Government has to think of taking hard options of closing down certain sick Public Sector Undertakings which are perpetually sick. Can the hon. Minister cite one or two such instances? Which are those industries to be closed down?

MR. DEPUTY-SPEAKER: It should be a pointed question. Shri Saifuddin Choudhury to ask his question now.

SHRI SAIFUDDIN CHOUDHURY (Katwa): Sir, I put a pointed question. The hon. Minister has stated that they are not going to nationalise any sick industry any more... (*Interruptions*). I am talking of sick industry. Otherwise, there is no question of nationalisation.

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): Do you want nationalisation of losses and privatisation of profits?

(*Interruptions*)

SHRI SAIFUDDIN CHOUDHURY: I have not stated that. I want to have one clarification. The hon. Minister has said that the experience is that those units which had been taken over or nationalised did not perform well. Why didn't they perform well? Have they done any review? There should be a White Paper on this. Just blindly he is telling that there will not be any further nationalisation. We don't agree with this.

SHRI MURLI DEORA (Bombay South): Sir, I had already drawn the attention of the hon. Minister regarding last week's seminar. Last week, there was a seminar in Delhi: "World Economic Forum". There is an editorial in the *Times of India* today. It has drawn the attention of the people of India about the confusion created by the hon. Members of the Government.

MR. DEPUTY-SPEAKER: You are repeating what you have already said in your speech.

SHRI MURLI DEORA: Shri George Fernandes, Shri Ajit Singh and the Prime Minister have said something about foreign investment. I would like the hon. Minister to clarify the position.

SHRIDHARAMPALSARMA (Udhampur): Sir, I want to know from the hon. Minister as to what effective steps his Ministry is taking to re-start the HMT Factory at Srinagar. (*Interruptions*)

MR. DEPUTY-SPEAKER: You have made your point. Please take your seat.

[*Translation*]

SHRI HUKUMDEO NARAYAN YADAV (Sitamarhi): Mr. Deputy Speaker, Sir, I would like to know from the hon. Minister whether Government propose to ban production of such items and commodities in big industries as are produced manually by putting in physical labour in the cottage industries, keeping in view the present competition

existing between big industries and the cottage industries and give due consideration to the policies laid down by Chowdhary Charan Singh.

Mr. Deputy Speaker, Sir, being a farmer, I would like to know from the Government whether it would take over the sick and unproductive cattle of the farmers to be returned to them after proper treatment and after making them healthy and milk-yielding in the same manner in which it takes over and returns to the industrialists their sick units after making them healthy, strong and viable or this privileged scheme is meant only for the industrialists.

[English]

SHRI NIRMAL KANTI CHATTERJEE (Dumdum): My question is very simple. There are sick units. But there are no sick owners. My question is, what has been the policy adopted towards sick owners? The other question is, what is the policy regarding the foreign capital in the country? We had in the past one kind of policy. Recently, I am also confused about it. I want an elaboration on the statement about the invasion of foreign capital into Indian industry.

[Translation]

SHRI HARIN PATHAK (Ahmedabad): Mr. Deputy Speaker, Sir, of the 35 Textile mills closed down in Gujarat, 19 are situated in Ahmedabad itself. 9 mills are run by the NTC. I would like to know from the hon. Minister.....

MR. DEPUTY-SPEAKER: We don't have time for individual issues.

[English]

SHRI P.R. KUMARAMANGALAM (Salem): Mr. Deputy-Speaker, Sir, the issue that is important is, a lot of hon. Members have felt that the BIFR has a number of cases pending before it. We understand, quite reliably, that it is essentially because

the cooperation that is required from the financial institutions' side to the BIFR for implementing its reconstruction scheme, this does not come forth. There are many instances available, if necessary, that can be supplied later. What I would like to know, as a matter of policy, is whether the Industries Minister would bring about an amendment in the Act, under which the BIFR has been constituted, to authorise the BIFR to ensure that the cooperation is forthcoming from the financial institutions.

[Translation]

SHRI PHOOL CHAND VERMA (Shajapur): Mr. Deputy Speaker, Sir, I come from the Shajapur Constituency of Madhya Pradesh. A proposal for setting up an industry there has been pending with the Industries Ministry. I would like to know from the hon. Minister the action proposed to be taken by the Government in regard to that proposal.

MR. DEPUTY-SPEAKER: You give this in writing to the hon. Minister and he shall reply.

[English]

SHRI S. KRISHNA KUMAR (Quilon): The Minister would appreciate that one of the main thrusts of industrial policy should be the utilisation of existing capacity whether in the public or in the private sector. It is on this basis, licensing has been introduced and the establishment of new units prevented such as in the textile sector, jute in West Bengal and some sugar mills in many other States. Traditionally, cashew industry is concentrated in Kerala. Already, there is under-utilisation of capacity and the cashew workforce is getting only hundred days of work in a year or less than that due to non-availability of raw material. Would the Government consider licensing the cashew industry so that the establishment of new units is prevented, whether it is in Kerala or in any other State?

[Sh. S. Krishna Kumar]

[*Translation*]

SHRI JANARDAN TIWARI (Siwan): I would like to know from the Government as to what it proposes to do to stop the bungling by those big capitalists who have drawn millions of rupees in the name of sick industries and who have drawn millions of rupees in the name of sick industries and have invested the same in the industries.

SHRI BALASAHEB VIKHE PATIL (Kopergaon): Would the Government make mandatory provisions by amending Guidelines Act for those industries which do not submit in time the deposits collected by them as in certain cases the deposits have been withheld for a decade or so. I demand an amendment to this effect in the law.

[*English*]

SHRI BAL GOPAL MISHRA (Bolangir): I would like to know from the hon. Minister whether he will put a full-stop to the deputation in public sector units because in all the public sector undertakings people go on deputation; they are not concerned about the welfare of the units; they are more concerned about personal welfare; as a result the public sector undertakings are incurring heavy losses.

Secondly I would like to know whether responsibility will be fixed in the public sector units and incentives will be given for profit and loss to the employees of the public sector units.

Thirdly, I would like to know whether the Government of India will decide to put heavy industries in the backward districts of the country. (*Interruptions*)

[*Translation*]

(*Interruptions*)

MR. DEPUTY-SPEAKER: It tends to be come a regular debate that way and we

have had an eight-hour discussion on it. If, even after that there still remains a suspicion in your mind, the time has been allotted for that. I can't permit individual questions.

(*Interruptions*)

You give it in writing.

(*Interruptions*)

[*English*]

SHRI AJIT SINGH: I would like to request the hon. Members that if they have any questions on individual units, if there are any problems about their districts or if they have any particular point, they are free to meet me and discuss it later. Today we are discussing only the policy questions .....(*Interruptions*).....

The first question raised was about the transport subsidy; the Government has plans to continue it. The Government is bringing out a White Paper on public sector. Someone has raised that question. About inefficient units, about what to do for the viable and non-viable units; those questions will be discussed in that White Paper.

[*Translation*].

SHRI RAJENDRA AGNIHOTRI (Jhansi): Mr. Deputy Speaker, Sir, there are many districts in our country where industrial development is almost nil. I would like to know whether Government would declare them as 'no Industry Districts' and pay necessary attention towards their development.

[*English*]

MR. DEPUTY SPEAKER: This is not correct on the part of the hon. Members. Now we have discussed the demands for grants pertaining to Industries for about ten hours. The Hon. Minister has replied also. I just wanted to give you an opportunity to ask a very important question on policy matter. You cannot have all the questions put to the Minister and replied to by the Minister in the

House. If you have any questions, please write to the Minister or meet him. If he thinks that he can reply or he can convince you, he will either reply to you or will convince you. If the matter is not important, then it is his discretion to deal with it in the proper manner. No more questions now. Let him reply to only the important policy matter questions and then I will put the Demands to the vote of the House.

*(Interruptions)*

[Translation]

MR. DEPUTY SPEAKER: No, you can't do like this.

....(Interruptions)....

You are a senior Member of the House and you know it very well that this is not the way of asking questions.

....(Interruptions)....

Not like this. Sit down, please.

....(Interruptions)....

SHRI AJIT SINGH: Some members have asked about the sick Industries and the role of B.I.F.R. I request them to raise these questions during the discussion on the Demands of Grants of Ministry of Finance, otherwise they can ask these questions during Questions Hour.

I would like to say about the question raised by Shri Hukumdeo Narain about the reserved items, that there are 836 items in the reserved list. Apart from this after receiving complaints against large and medium scale industries, we propose to constitute a committee to examine them. The Govern-

ment will take all necessary steps required in this regard.

I would also like to inform hon. members about Rohtas. The Supreme Court had decided that it is to be nationalized. This work is to be done by the State Government. Centre has performed its duty assigned to it. It is for the State Government to do rest of the job.

[English]

MR. DEPUTY SPEAKER: I shall now put all the cut motions moved to the Demands for Grants relating to the Ministry of Industry to vote together, unless any hon. Member desires that any of his cut motions may be put separately.

*The cut motions Nos. 6 to 15 and 62 and 63 were put and negatived*

MR. DEPUTY SPEAKER: I shall now put the Demands for Grants relating to the Ministry of Industry to vote:

The question is:

"That the respective sums not exceeding the amounts on Revenue Account and Capital Account shown in the fourth column of the Order Paper be granted to the President, out of the Consolidated Fund of India to complete the sums necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1991, in respect of the heads of Demands entered in the second column thereof against Demands Nos. 51 to 53 relating to the Ministry of Industry."

*The motion was adopted*

*Demands for grants, 1990-91 in respect of the Ministry of Industry voted by the Lok Sabha*

No. and Name of demand	Amount of demand for grant on account voted by the house on 28th March 1990		Amount of Demand for grant voted by the House	
	Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4	5
51 Ministry of Industry Department of Industrial Development	95,38,00,000	68,40,00,000	286,15,00,000	205,21,00,000
52. Department of Company Affairs	2,25 00,000	1,00,000	6,74,00,000	—
53. Department of Public Enterprises	12,63,00,000	74 68,00,000	37,87,00,000	224,03,00,000

17.50 hrs.

DEMANDS FOR GRANTS (GENERAL),  
1990-91

Ministry of Human Resource Develop-  
ment

[English]

MR. DEPUTY SPEAKER: The House will now take up discussion and voting on Demands Nos. 47 to 50 relating to the Ministry of Human Resource Development for which 10 hours have been allotted.

Hon. Members present in the House whose cut motions to the Demands for Grants have been circulated may, if they desire to move their cut motions, send slips to the Table within 15 minutes indicating the serial numbers of the cut motions they would like to move. Those cut motions only will be treated as moved.

A list showing the serial numbers of cut motions treated as moved will be put up on the Notice Board shortly. In case any Member finds any discrepancy in the list he may kindly bring it to the notice of the Officer at the Table without delay.

Motion moved:

"That the respective sums not exceeding the amounts on Revenue Account and Capital Account shown in the fourth column of the Order Paper be granted to the President, out of the Consolidated Fund of India to complete the sums necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1991, in respect of the heads of Demands entered in the second column thereof against Demands Nos. 47 to 50, relating to the Ministry of Human Resource Development."