

[English]

(viii) Need to develop Erumeli in Kottayam District, Kerala, as pilgrim centre of national importance

SHRI P.C. THOMAS (Muvattupuzha): Erumeli in Kottayam District in Kerala is an important pilgrim centre where lakhs of people pay visit from throughout India every year. As a standing example of practice of secularism, the pilgrims pay homage to Hindu and Muslim worship centres. People who visit the famous centre at Sabhrimala come to Erumely to pay homage there first. Erumely should therefore be developed as a pilgrim centre of national importance. A road from Erumely to Chalakkayam makes the approach to Sabarimala very easy, saving 50 kilometers. Some funds were sanctioned and work was started. But now it has been stopped due to paucity of funds. I request the Union Government to forthwith study the possibility of developing Erumely and the above road and to sanction enough funds for execution of the works immediately.

13.45 hrs.

DEMANDS FOR GRANTS (GENERAL)
1990-91

Ministry of Industry—Contd.

[English]

MR. DEPUTY-SPEAKER The House now shall take up further discussion and voting on the Demands for Grants under the control of the Ministry of Industry.

Shri Ram Pujan Patel was on his legs.

SHRI RAM PUJAN PATEL (Phulpur): Hon. Mr. Deputy-Speaker, Sir. I was expressing my views on the Demands for Grants of the Ministry of Industry. There is need to set up more sugar mills in the country because the sugarcane produced in large quantity by farmers cannot be crushed in the

currently available capacity of the sugar mills and because here is no provision for setting up another sugar mill within a distance of 40 kilometers from the existing Sugar Mill. So I request the hon. Minister to pay attention to this aspect. It is the moral responsibility of the Government to ensure proper use of the sugarcane produced by the farmers. If the molasses is used for manufacturing liquor? I would go to the extent of saying that the Government is making deliberately the youth of the country liquor addict and spoiling them. This is against the principles of Mahatma Gandhi. Who wanted complete prohibition in this country. We have not been successful in enforcing prohibition in our country. For the last 2-3 years I have seen that liquor shops are coming up in villages also. This will spoil the character of youth in this country and they will become incapable of doing anything for the country. It would be better if the alcoholic substance produced from molasses is used as fuel to run motor vehicles. This could be useful considering the shortage of petrol in our country and our dependence on other countries for petrol. So my submission is that if any petroleum product can be derived from molasses it would prove to be a better use molasses. This will help us save valuable foreign exchange. The Indian economy can also become stronger.

People don't see any use of molasses and throw it away. This should be paid special attention. Molasses can be used as a raw material and if we fail to do so it will go against our economic in built.

I come from Phulpur constituency which was also the constituency of Pandit Nehru. Incidentally the present Prime Minister hon. Shri V.P. Singh too has represented that constituency at one time. In 1981 Rao Birendra Singh who was Agriculture Minister at that time announced in Phulpur in the presence of the then Prime Minister that a sugar mill would be set up there. Nine years have passed since but no sugar mill has been set up there. A proposal was sent for the Central Government's consideration. Whether the proposal was considered or not is not known

but the Government said that it is not feasible to set up a sugar mill in Phulpur. I request our hon. Ministers to kindly take care before making such announcements in future. Otherwise people start distrusting the Government. A Government can survive only on public trust. So I request the hon. Minister to take steps to open a sugar mill in Phulpur keeping in mind the assurance given in 1981. A sugar mill over there would be of tremendous benefit to the local farmers. The unemployed youth in the area can also get jobs. Today the educated children of farmers are wandering aimlessly. Setting up of small-scale and cottage industries in villages can also provide relief to farmers.

As I was saying gesturing, cotton is produced in rural areas but textile mills are located in urban areas. This is creating problems. Chaudhary Charan Singh always used to say that the country's progress is directly dependent on the development of villages. For rural development he emphasized the need for setting up small-scale and cottage industries in rural areas. This Government should take steps to do so. Development of villages will also stop migration of people from rural areas to urban areas in search of jobs.

Lastly, I could like to submit that farmers are not getting remunerative prices of their produce including fruits. Potato is produced in large quantities by farmers but the market rate for potatoes is Rs. 1.00 per kg or Rs. 1.25 per kg. In my constituency potato is available at Rs. 100 per quintal. Potato which is brought at Rs. 1.00 on Rs. 1.50 per kg is converted into wafers by the Food Processing units. These potato wafers are sold at Rs. 75/- per kg in the market. The farmers toil for six months to produce these potatoes which are made into wafers with the help of machines and then sold at Rs. 75/- per kg. Why cannot the Government exercise some control over this price variations. There is no check on the exploitation of the poor by industrialists. These wafers are consumed by upper class as well as middle class households. There are many 'tehsils' in Phulpur district where sugarcane and potatoes are

produced in large quantities but not a single tehsil has cold storage facilities and these are no industries there which can use the produce of the farmers. Potato is a perishable commodity. Potato is a vegetable that is used by all classes of society. So, I request the hon. Minister to set up soon an industry in my constituency after proper survey so that farmers can get year-round benefit. In fact, growth of such industries should be encouraged throughout the country to use potato for producing various kinds of food stuffs. One important issue is the declaration of agriculture as an industry which our leaders generally talk of. This may sound to be a very easy proposition. But Mr. Deputy Speaker, will agricultural income be taxed as in the case of industry? Will agriculture be given financial assistance as given to the industry? Naturally, all these things will have to be done if agriculture is declared as an industry. My submission is that we should formulate some programme in this regard and discuss the pros and cons in case of agriculture being declared as an industry. If we are prepared to give agriculture the same facility as to industry, then we can do it. In an answer to one of my questions the previous Government had replied that the question of taxing agricultural income was under consideration. Mr. Deputy Speaker, nothing could be more unfortunate than imposing tax on poor farmers.

MR. DEPUTY SPEAKER: The hon. Member should know that this subject comes under agriculture, and we are discussing the demands for the Ministry of Industry.

SHRI RAM PUJAN PATEL: Mr. Deputy Speaker, Sir, I will speak about industry. Most often the land of farmers is acquired and allotted to the industrialists. It is true that industry is important for the development and progress of the country but what happens is that very often 20 odd bighas are allotted when only one bigha is necessary for setting up an industry. This causes great loss to the farmers. So, I would like to suggest that only that much of land should be allotted for industry to the big industrialists as is absolutely necessary for setting up indus-

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try. In some cases, the industrialists are allotted more land and later they are also allowed to sell the surplus land. Thus, while a poor man is deprived of his sustenance the big people enjoy at their cost. This should not be so. Therefore, if more land is acquired and is left unused, it should be returned to the farmers, so that they may cultivate their land once again. Industry is needed for the development and prosperity of the nation, but farmers cooperation is equally needed and they are contributing their bit in this endeavour. So, in the end I would like to urge the hon. Minister of Industry to formulate the industrial policy in such a way that it results in setting up of more industries and generation of greater employment opportunities so that the nation may forge ahead on the path of progress and prosperity.

MR. DEPUTY SPEAKER: I would like to inform the House that there are 7-8 groups in the House and they are allotted time according to the number of their members. So, their time is limited. Therefore, I would like that they should make brief speeches without a long introduction.

SHRI VAMANRAO MAHADIK: (Bombay South Central): Mr. Deputy Speaker, Sir, I am grateful to you for your observation, but the earlier paper had mentioned that time allotted to me was 11 minutes.

MR. DEPUTY SPEAKER: No, 18 minutes have been allotted to all the seven groups.

[English]

SHRI VAMANRAO MAHADIK: Today, we are facing the problem of unemployment, devaluation of rupee, increasing prices and inflation. It is necessary to see that there is a network of industries first in the form of small scale industries in rural areas and then look to the public sector or the heavy industries as the Government has to inject money. By this method, unemployment problem will be solved to a great extent. I would like to cite an

example of Nheva Sheva, the great petrochemical project which is being constructed in Kolaba District Konkan. There the land of the local people has been taken by the authorities for this project. But those local people have not been provided any job in that project. Because of that, a kind of unrest is created there and the local people are not giving any cooperation to the project authorities. The Central Government which is financing this great project, should look into this properly and see that instead of awarding work either of contract nature or any other form of casual work, that the work should be given to the local people so that the unemployment problem in that area can be minimised to that extent.

There is no doubt that industries should flourish. There are two types of industries. And I talk about small scale industries. My only request to the Government is to take all the State Governments into confidence and open one window for all kinds of permissions for starting a new small scale industry by a new entrepreneur. If the youth come forward for new industry they have to run here and there for so many permissions and licences. Getting the loan from the banks has also become a very tedious job. That is why nobody ventures to come forward. After having tried for two years, three years, the young entrepreneur leave it aside. No incentive is coming from the Government side an an agency which supports them and helps them to get licences. Naturally, they have to pay a heavy interest for the loan they take. Even though the loan is given by the bank, not by the State, but the bank takes too much time. So, if the rural unemployed class is to be merged with some kind of job creation, these small-scale industries must be well-established and there must be special officers who not only work as officers but should also be having some better relation and attitude. That is very necessary. At least the officers who have got connections with labour employment i.e. Labour Officers or so should know the local language. They should also be local. But here, those people come who do not know the language of the local people and that is why there is no help coming forth

and that is why many a time these industrial pockets which have been helped by the Central Government, through the State Governments, are failures.

Secondly, I had a chance to attend the industrial consultative Committees meeting. There they said that the autonomy, profitability and the accountability of a particular enterprise should be taken into account. The view expressed was that the Government has got public sector enterprises. They have become unwieldy in expenditure and that is why almost all the enterprises are going into loss. But the parallel consideration is that suppose there is an airplane manufacturing company which is conducted in loss by the Government, and so it is given to the private sector, then it will run into profit. Our Railways will be running into loss, but if some part of the Railways is given to a private agency or to Tatas, it may run into profit. Similarly, if the Electricity Boards are run with the Government help, they run into losses, but if a private Tata agency runs them, then there will be profit. So far as the autonomy is concerned, they say the autonomy is withered away or vitiated when the deliberation wing comes into that. I am not of that opinion. There is something where the bureaucracy also plays a much more defective role, and that is why the tendency is to see that the Government enterprises are turned to the private agencies. If the Government turns to the private agencies to run the public enterprises on partnership basis, because they are running in deficit budget, that thinking is not good and the analogy may go to this extent that wherever Government sustains loss, that should be given to private agencies for conducting.

I will mention one or two examples. In Mazagon Docks, barges are manufactured for ONGC. The moode and are running into profit. But the orders for barges are given to our southern coastline shipping yards by paying more and thereby the ONGC is going into loss. Who is responsible for this? The second example is that of the Tourism Department. The Tourism Department is running into loss. But if it is given to a private

agency, it runs into profit. Similarly, if the State transport business or other vehicular business is given to a private agency, they give us a particular share of their income as fees. But if the Government runs this business, they always show a loss. If Railway is nationalised, it is bound to go into deficit. But if a part of Railway is given to some private agency, it will run into profit. Why should it be so? I will tell you that I have seen about 50 to 55 private concerns whereing financin has been done by the financial institutions like LIC, NABARD and IDBI, which are controlled by the Government.

14.00 hrs.

They invest their shares in these institutions. Their share capital runs into 30% to 50% or 60% and the private owners who have got shares between five per cent and 30% are appointed as Directors over there. We have got haphazard policy due to which we cannot run them properly. We want to take over those private sectors through our institutional directors in place of private directors. But the policy should be changed first. We should have one principle, that is, whether we are going to put the public enterprises in the private hands or whether we are going to take over the private enterprises and put them under public enterprises. So, there should be one policy. It seems that Government are not steady in this respect.

Sir, so far as Bombay is concerned, textile was the only important industry. Bombay was called the 'Manchester of India. Now, everything is gone because of one imprudent strike. It has no end uptill now. The mills are rusting and the owners of the mills are enjoying. They can sell the land occupied by the mills on par with the value of gold and the prices of the land in the urban city of Bombay are very very high. Now they want to sell the land and get the benefit. They have swallowed the provident fund of the Textile workers they have swallowed the gratuities of the Textile workers and there is nobody to protect the poor textile labourers. About one lakh mill workers are thrown in the street without any job. The National Textile

[Sh Vamanrao Mahadik]

Corporation is there 25 sick mills have been taken by them I do not know why there are cases of corruption to the tune of crores of rupees. C B I was asked to investigate into the case and now the matter is *sub judice* Why should it run on loss?

We have decided and declared the policy of participation of workers in the management of the factories But here the labourers are thrown out of their job because weaving is not done in the mills But weaving is done on contract basis and sent to outside agencies in Bhiwandi and Chalkaranji I do not know why this is done so For processing the cloth, the NTC to purchase the cloth from Bhiwandi Centre and put the stamps on the fabrics as 'super-fine cloth' and in all such mills, a particular class of weavers has been thrown away from their job and they are in the street We must see that when the mills are taken over by the Government the mill workers are rehabilitated But nothing has been done Nobody bothers to look after them That is why there is unrest in the city of Bombay and it is increasing day by day Someone who is responsible, who can take the responsibility of workers should be put there

There are workers who are prepared to run the mills on cooperative basis and I know that they are willing to participate in the running of the mills With their participation, it can be run and it can earn profit But here somebody who is a moneysucker is kept there and he is ruling them Nobody stops that ruling agency Now we are weeping over nothing but a dead body It is continuing like that and the private owners want to save money and the State Government is enjoying it because if the land comes under the control of the Urban Development Department they will be enjoying the huge rise in the value of the land That is why I say that this particular enterprise, that is, the National Textile Corporation is the suitable organisation to take over these sick mills But the Government should go in the right direction and see that those who were working and

toiling for so many years have been provided with job and also see that Bombay once again becomes the "Manchester of India".

Sir, so far as Bombay is concerned, Railways or any other industry whichever is there, should see that only the local people are employed in the industry That is the move going on there And if we want to keep the national integrity it was accepted that every State should ask the industrialists to employ the local people to the tune of 80 per cent

MR DEPUTY SPEAKER You have made that point already That was your first point I am following your speech very carefully

SHRI VAMANRAO MAHADIK For national integration it was accepted that the local people should be given 80 per cent of the jobs That is why, unless the industrialists appoint 80 per cent of the local people, they will not get the support of the Central Government and the State Government

About the small scale industries, the Government should declare their policy in what way the Government is willing to help them because here many of them are talking about the farmers' welfare and all that

About agro industries, they may be declared as being supported by the Government so that the rural population who are depending on the farming get the first chance to take advantage of these industries For example, the sugar syndicate is there, they are getting loans and all these things But the farmer is not given that much help by the Government The farmers should be helped by the Government For onions also we see that people come running to Bombay for the purchase and sale The onions are purchased in the rural areas at 40 paise or 50 paise per kilo and they are sold at Rs 5/- or Rs 6/- a kilo in Bombay Thus there is exploitation by the middlemen So the farmers are ruined by somebody's burden. That is why these industries should be checked by the Government and the Government

should see that they get minimum price of their products in a profitable way so that they should get first whatever expenditure they incur and put it into production of agricultural goods. They should get some relief out of that.

Sir, decentralisation of industries from urban areas to rural areas is necessary. For example, the aeroplane factory in the middle of Maharashtra. The people who are around are getting the jobs. So, decentralisation of industries should be accepted in all States and that should be done by the Central Government, it should not be left to the discretion of the State Government because the vested interests come out and instead of decentralising them, they centralise in the urban areas. Many good cities are being made ready for industrialisation, but the rural areas are not. That is why I say that the Central Government should pay attention and help them. For example, a sugar factory. (Interruptions). They are allowed to produce sugar as well as alcohol, and in alcohol they get profit over the expenditure on sugar. So sugar is free to them. But the Government gives them permission to sell it at a higher rate. That is why the Government should examine this point. The production which is made by the industries should also be within the reach of the people's purchase who are poor, so far as the consumable goods are concerned.

With these words, I conclude.

✓ MR. DEPUTY-SPEAKER: Shrimati Basava Rajeswari, your party has allotted you 10 minutes' time.

SHRIMATI BASAVA RAJESWARI (Bellary): Only 10 minutes, Sir?

MR. DEPUTY SPEAKER: Only 10 minutes.

SHRIMATIBASAVARAJESWARI: How can it be, Sir?

MR. DEPUTY-SPEAKER: Because

there are many Members to speak from your party.

✓ SHRIMATI BASAVA RAJESWARI: No, Sir, I require some more time. I do not want to take much of the time, but anyhow I will try to conclude as early as possible.

MR. DEPUTY SPEAKER: Okay.

✓ SHRIMATI BASAVA RAJESWARI (Bellary): Mr. Deputy Speaker, Sir, I would like to thank you for having given me the opportunity to participate during this discussion, that is, the discussion on the Demands for Grants of the Ministry of Industry.

Sir, industries play a major role in the all round economic development of the country. They provide employment for the people and they also try to maintain the economy of this great country. Now, I come to the point of 'no industry district'. This system had been introduced long back and many districts have been declared as 'no industry districts'. They have been given lot of incentives and lot of industries have been started, but at the time of selection, some injustice has been done to some parts of the country. In Karnataka, Bidar district has been declared as 'no industry district'.

Now, we are thinking of starting growth centers. It has been told in the report that already 70 growth centres have been sanctioned. These centres have been recommended by various State Governments and on the recommendations of the State Governments, the Department of Industry has sanctioned these growth centres. A part of the money will be shared by the Government of India and another part by the State Governments, the public and also by the IDBI. Nearly 20 to 30 crores of rupees will be spent on these growth centres and norms have been specifically set that these centres must be very far away from the cities. Depending upon the norms many schemes have been worked out. But by the time the selection took place, there were many more proposals and they are yet to be sanctioned. Then, we have been told that all the infrastructural

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facilities like land, water, transportation, telecommunication etc., would be provided for these growth centres. I have got a demand in this regard and I have already sent a proposal to start one such centre in Kurugodu in Bellary district of Karnataka. So, I would request that at the time of selecting some more centres, this may be considered.

Sir, regarding decentralisation of industries, already many Members have spoken. The policy should be such that during the Eighth Plan, at least one public undertaking should be started in each district wherever there are no industries, because a lot of varieties of raw materials are available. It may be agro-based industry or some other industry. We should make it a point that during the Eighth Plan, only those districts should get priority where there are no industries, at the time of selection. In my district, we grow a lot of oil seeds and cotton. Moreover, in our district, we have got granites like, pink granites, grey granites, white granites, green granites etc. At present, these granite stones are being exported. But what is the value we are getting by way of foreign exchange? The system of sending raw granites to foreign countries is not advisable. So, I suggest that we should try to make some finished goods out of these stones because there is a lot of demand in foreign countries for making monuments and slabs. This is a hundred per cent export oriented industry. Therefore, instead of sending raw stones to various countries, we should start making some finished goods to earn more foreign exchange. This is my humble submission. At the time of selecting some districts, we should select such districts where there are no industries and start one public undertaking in each of those districts. Then, we are talking about mini-cement plants. I would like to inform this House that there are many more States where mini, micro and tiny cement plants have been started. They are purely based on indigenous, VSK technology. Plants are ranging from 20 tonnes per day to 100 tonnes per day. They are using the lime-stones whereas the bigger plants

cannot use it. But in Karnataka, 37 mini cement plants have been actually closed. This is the first generation entrepreneurship. All the agricultural people want to diversify to this line. Without adequate knowledge, they have started these mini cement plant with 20 TPD to 100 TPD. But today most of the plants have been closed down.

I would give the reasons why they have been closed. The most important raw material for the mini cement plant is coke breeze. At the time of projection, it was only Rs. 300/- per tonne. Now what is the rate of coke breeze? First of all, it is not available. If it is available, we have to bring it either from Bhilai or Rourkela which is far away from the South. One tonne of coke breeze costs Rs. 1500 now and added on this is the transportation charges. Do you mean to say the entrepreneurs who have started this industry can afford to purchase coke breeze at a huge cost? Another reason is the latest Government order of decontrolling the cement which affected the mini and micro cement plants. The levy of excise duty also hit the industry.

My suggestion is, the coke breeze should be supplied by the Government through small scale industries corporation or any agency at a reasonable and subsidised rate to the mini cement plant. Many cement plants have been started and that too by the first generation entrepreneurs. These plants have been located in the remote corners of the country. Those plants have to be revived. To revive this industry immediately, the excise relief should be continued to be given to them and the coke breeze has to be supplied at cheap and subsidised rate. The growth-centre should come up and we should continue with the kind of incentives we are going to experiment. This should be continued to these plants for their revival. We are not going to import anything. We are not spending anything. I have said this at the time of Consultative Committee attached to the Ministry of Steel & Mines that coke breeze should be supplied for such plants so that these small plants are revived.

We are talking much about the small scale industry and the rural sector. We have been giving some incentives. Are they sufficient? What are the facilities they have got today? Do they have telecommunication system? Are they having roads or medical facilities? Are the officers behaving properly and helping them? Are the banks are nearer to those people where these rural centers, rural industries have been started? Do you mean to say we are going to decentralise and start small scale industries in the rural areas, without providing any infrastructure? The Government is telling that almost 50% of the Budget is given to rural areas and it is a rural-based budget. When they talk of giving priority to rural areas, prominence to rural areas, we have to see that as far as possible, apart from giving incentives, our attitude and our commitment should be more towards rural industries. Therefore, some incentives which we are giving and some facilities which I have suggested should be given to such industries wherever they have been started.

Then, I come to Vijayanagar Steel plant. This was a dream, When Madam Gandhi laid the foundation-stone. A lot of ore in there. High-grade ore is available at the Hospet range. The then Minister, Shri Fotedar on my request made an aerial survey. He had seen the infrastructural facilities. Land is available. 4,000 acres of land is acquired. All infrastructural facilities are there. One journalist asked, "Is it a political decision you are going to take, or really you are in need of it." He said, really we are in need. We will be short of steel in future. We have to import in case we do not produce. We have decided that Vijayanagar Plant will be included in the 8th Plan and he said that "As far as power is concerned, even the Karnataka Government is not in a position to provide power. We have made alternative arrangement and we are going to start in the joint sector." That was the statement which he has made and it has appeared in the newspapers. I am working in the Steel and Mines Consultative Committee. There is still a question mark on starting of this steel plant and fortunately our ex-Chief Minister Shri Hegde is the Vice-Chairman of the Planning Commission. I have

been writing letters. "Please see that Vijayanagar Steel Plant is included in the Plan. We do not get proper value for that raw material, the entire high grade ore which we are exporting to various countries." When we finish these goods, we can get abundant foreign exchange by producing value added products. This is my humble submission. I hope that you would interfere at the time of selection and do justice to the Karnataka people to whom it has remained a dream.

Petro-chemical refinery is also a long-pending demand. Whatever has been asked for, land, water, power and what not, everything has been provided by the Karnataka Government. This is going to be set up in the joint sector and all those people agreed and it is going to be more economic project. I would request you to start this industry as early as possible and see that this petro-chemical refinery which is very useful in this country may be set up as early as possible.

Regarding plastic sacks, in the year 1960 Karnataka Government has started many plastic sack industries. They have taken up the manufacture. In those days, they were able to produce these bags from the plastic sack. But after the enactment of the Jute Packaging Material Act of 1987, all the 37 plastic sack industries in the country became sick.

They cannot supply bags. I do not think it will hurt the jute industry in case these plastic sacks are used for packaging of fertilisers, cement and so on and so forth. That can be done because there is great demand to stock grain and also sugar etc. It will not hurt the jute industry. I would request you to look into the matter and see how best we can withdraw that ban order.

Regarding self-employment, this scheme has been introduced by Madam Indiraji. Many people are benefited by it and there is lot of criticism that there is misuse of funds. I do feel that this is a very good Scheme because wherever our young men are there, they have given employment by starting industries or business. Every year 2

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to 2 1/2 lakh people are being benefited by this Scheme. As on today after the price escalation, I feel the amount which we are giving namely, Rs. 35,000/- is very little. We cannot start an industry with Rs. 35,000. Business needs Rs. 20,000/- and others need Rs. 10,000/- at least. This has to be enhanced and if I see the ratio, how it has been worked out all these years, it is quite satisfactory and the results are also very much encouraging and here the AGCR has been the told that in 1988-89 the percentage of beneficiaries is 75.86, during 1987-88 96.18, during 1986-87 it is 86.78 and during 1985-86 it is 88.29. Later it has been reduced. In the Budget it has been told that the target for 1990-91 is only Rs. 1.25 lakhs. This is a wonderful scheme which is going to give employment for the youngsters. Therefore, the number of persons should be increased and the amount which we are providing for starting industries, services and business should be enhanced.

Regarding super thermal power project, there is a proposal to start it at Thorangallu because lot of ore is being carried to Madras port and the wagons which carry this ore will come back empty. If coal is supplied while returning, I think it is a suitable place for starting this super-thermal plant.

Coming to the Mini-Steel Plants, I would like to say that they are also suffering. Most of the Mini-Steel Plants which cater to the needs of the domestic people are suffering for want of scrap. There is no scrap because licences were given very freely. Many more people have enhanced their capacities. More and more Mini-Steel plants have come up in this country. Of course, we are facing shortage of steel. I do understand. But where is the raw-material? How many of them have become sick? Is the MMTTC, which is the channelising agency, supplying this scrap regularly? Is it catering to their needs? It is not. Many of them have already closed their units due to heavy excise and customs duties and due to non-supply of scrap. Therefore, the first and foremost thing we have to

think of is to see that more and more sponge-iron plants should come up in this country. Unless and until the sponge-iron plants come up in this country, we will not be in a position to feed the entire Mini-Steel plants with the scrap which is available now. It is not available in sufficient quantity. So is the case with regard to pig iron. Pig iron is in short supply. Many more foundries have been stopped. At present, we have got the SAIL to manufacture the pig iron. Still they are not in a position to meet the needs of the people in respect of pig iron. Therefore, sick industries are becoming more and more sick. Of course, the BIFR is doing a little work. It is an autonomous body. But the procedures are very very cumbersome. There is a lot of delay also. But even then they are doing their best. I hope the Government will take some quick decisions as early as possible. The BIFR should adopt reconstructive policy and not distructive policy because that attitude should not be there. Industries are becoming sick day-by-day for want of power. Power has become a major problem. The main constraint is power. So many States have got surplus power but many other States do not have adequate power. Power tariff has been increased indiscriminately. There are power-cuts in some States. All these things amounted to the sickness of the industries. Therefore, power generation during the Eighth Plan should be given top priority to see that maximum production comes up.

MR. DEPUTY SPEAKER: Please conclude.

SHRIMATI BASAVA RAJESWARI: Sir, you are again and again ringing the Bell. I do not want to take much time of the House. But I have got something to say. Anyhow I will conclude by saying one or two points.

MR. DEPUTY SPEAKER: Madam, you can send it in writing to the Minister. He will look into it.

SHRIMATI BASAVA RAJESWARI: I hope the hon. Minister will look into all the points which I have made. Finally, I would like to make one point. We are asking for an

Export Zone in the Whitefield area in Bangalore. That has also not been given effect to. I would request the hon. Minister to look into this and try his best to do something to my States as also for the small-scale industries.

DR. VENKATESH KABDE (Nanded):
Sir, I support the Demands for Grants of the Ministry of Industry. With the coming in of the National Front Government, a new era has been started. In the 1950s we were told that industries in our country would take-off and there would be a lot of prosperity in the form of a rise in the standard of living of the people. But that did not come about. It is because we have not given adequate importance to agriculture. Now, I think, with the coming in of our National Front Government there is a balance between Industry and Agriculture. I think this proper balance between these two is going to usher in a new era. In the field of Agriculture, we are going to have a lot of agro-based industries and this will give a new lease of life to the innumerable number of carpenters, potters, blacksmiths and the *amber charka* units which have been crying for revival in the rural areas. One of the very welcome things that has been done is starting of Special Banks in the rural areas only for the purpose of the small-scale industries because the farmer will have a lot of problems in terms of the capital for these industries. So, these banks are immediately going to come into effect. I think this is going to help the agro-based industries in a very big way. Here, I would like to suggest to our Ministry that while we are talking about agro-based industries it will be very much desirable that we have some kind of a demonstration project in the Districts. May be one particular project can be undertaken in one district so that by looking at this particular example, the farmers and other small entrepreneurs can take encouragement to start these units throughout the district. So, such a proposal may kindly be considered.

The export policy is now again revamped. And I might mention here that about 40 percent of our foreign exchange is earned through small scale industries in the handi-

craft area. So, a lot of emphasis needs to be given to the small scale industries particularly to these handicrafts because this activity is going to earn foreign exchange.

I would like to mention here that the industries be decentralised. What is happening in our country is that most of the industries are concentrated in big cities. Take the example of a metropolitan city like Bombay. It was previously said that no further industries would be allowed in big cities. But see what is happening. Under one or the other garb, the industrialists are managing to start industries around big cities and they might call it as 'satellite units'. They will say that these are the components or feeder units to the main industry. But, in fact, if one goes into details, one will find that, that is an expansion of the industry. From the back door the industries are managing to increase their number in the big cities and, I think, the principle of decentralisation of industry is not being followed. This is having an adverse effect on the development of the backward areas. I would say that we need to take more concrete and firm decisions and steps to see that the industry is really decentralised in a meaningful way.

The subsidy scheme has been given to industries in the backward areas in the past. But now we are going to stop the subsidy scheme. This may have some adverse effect on the industries particularly in the backward areas. I understand that these subsidies will continue for the small scale industries. However, I might mention here that we may continue the subsidies particularly in the backward areas of the country.

We are talking about identification of the backward districts and starting of growth centres. I am glad to read in the Report of the Ministry of Industry, Department of Industrial Development that this whole scheme is going to be again reviewed. Looking into it, 'no industry districts' have not been defined properly. It appears, that many backward districts have not been given justice. The only new addition to 'no industry district' in Maharashtra has been the Godchiroli dis-

[Dr. Venkatesh Kabde]

tract. There are many other districts, at least two districts, in my region of Marathwada, that is Beed and Parbhani where there is no medium heavy or small scale industry. They are the most backward and drought-prone areas in the State of Maharashtra. They do not find a place in the 'no industry district'. So, I would request the hon. Minister, who has also visited the area of Beed in Maharashtra, to kindly see that Beed be considered as 'no-industry district' and this whole list of 'no-industry district' be reviewed and consideration for starting the growth centres be given. Through growth centres, which we are hoping will create a new dimension, an entirely new atmosphere in the industrial development, should be provided with all the infrastructural facilities. If the infrastructural facilities are not provided, I think, these growth centres will not have the significance that we are attaching to them.

In the State of Maharashtra and in the country as a whole the sugar mills provide a very unique source in improving the standard of life of the people as well as for the overall development of the area. It is welcome step by the Ministry that there is liberalisation in the licencing policy for sugar mills and also liberalisation in the criteria for starting a sugar mill that is from 40 kilometres the distance may be reduced now even to 25 kilometres. We have to utilise the sugar mills to their maximum capacity because we are having a good crop of sugar. For example, in Maharashtra we find this year that there is so much production of sugar cane that in spite of the maximum utilisation of the mills there is additional sugar cane. We are all afraid that this sugar cane may dry up because enough number of sugar mills are not there. So I would request the Minister to kindly see that permission for starting more sugar mills be given in this area.

I would also mention here that we are giving levy sugar to the Government at very low cost, I think at the rate of Rs. 5 per kilo. There should be reconsideration of this price. There has been a hue and cry about the

sugar can price in the country. I know that in the State of Maharashtra the prices that some mills are giving are very low, about Rs. 200 to Rs. 300 per tonne. Whereas the prices in other States are upto Rs. 450 or Rs. 500 per tonne. If we increase the price of the levy sugar just by one rupee a kilo, I think it is going to provide the sugar mills with another very good source of income and by that they will be able to directly help the farmers. We are always talking about giving more price to the farmers for their produce. If the Government gives just one rupee more for the levy sugar, I think it is going to give a good amount of increase to the farmers for their produce.

I would just mention here about the Petro-Chemical complexes. In Bombay High a large amount of natural gas is produced and it is now going to all parts of the country to Gujarat, Madhya Pradesh, Uttar Pradesh, etc. But it is not being given to Maharashtra. Maharashtra, where the natural gas is produced, is not getting its due share. The backward areas in Maharashtra like Vidarbha and Marathwada are not getting anything at all. We are talking about the development of backward regions; but there is no pipeline going to this region. Now I understand that because there is excess production of gas, another terminal is going to be started in Bombay High and the gas is going to be diverted to the southern region. May I request the Minister to consider starting a Petrochemical complex in Marathwada and Vidarbha region, I would request him not to consider the geographical problems like Sahyadri mountain range and other things come in the way. I think we can definitely surmount these geographical problems. Kindly consider giving a pipeline to the Marathwada region so that industries there can bloom. Thereby we will be doing a lot of justice to this backward area.

The last point that I would like to mention here is about the sick units. There are a number of sick units. Their number has gone up and now we are talking in terms of two or three lakh sick units in the country. A lot of money is lying with the investors and there

are no returns to the Government. We know all the reasons as to why these units are not starting; but still no headway is made. I think the time has come when we have to take a decision that some of these units will have to be closed once and for all. Maybe, we should start new industries in their place and some such action probably will be helpful in order to revive some of these units and start new units in these areas.

I thank you for giving me this opportunity to express my views.

SHRIMATI SUBHASHINI ALI (Kanpur): Mr. Deputy Speaker, Sir, today we are speaking about the budget allocations to the Ministry of Industries. I think it would not be out of place to also consider certain basic aspects of industrial policy while we are speaking on the budgetary aspect.

As you know, in 1956-57 the industrial policy was framed for this country and I think that a great deal of thought to the nature of this country and its problems was given before the policy was framed.

I think that the policy and the emphasis that it made on certain concepts like self reliance, commanding heights and the economy have to be given over to the public sector—the concept of core sector, the concept of licensing, MRTTP. The whole understanding is that in a developing nation, a controlled and a guided economy is needed, a controlled policy is needed to develop all round economic advancement. It was a very sound thinking which was adopted, looking at the problems of this country. I feel that the last Government gave up that industrial policy—did not just stay away from it, but gave it up.

[Translation]

Our former Prime Minister often talked of (Logon ko Nani yad dilana) teaching a lesson to others, but he himself forgot the lesson taught by his maternal grandfather and had to face the consequences. Therefore, we would like the new Government not

to repeat the mistakes made by the previous Government. As far as industry is concerned.

[English]

Our industrial policy had the concept of self-reliance, commanding heights in the public sector, core sector, licensing and so on and so forth. It seems to me that a lot of these very sound ideas were given up on instructions from outside. It may be that certain people had some fads; it may be something very sinister than that. But it is not an accident that the dictates of the IMF and of the World Bank certainly contributed to the abandoning of that old industrial policy of 1956-57. At the same time, there is a feeling among the people that one should keep up with the times, keep up with the jaunces and possibly ideas of Thatcherism, Reaganomics and so on and so forth may also have influenced the thinking of the policy framers and those who guided the destinies of the previous Government. Now, we have to see, what are the results of abandoning the old industrial policy and going in for—whatever you want to call it—supplies side, economics, *laissez faire*, market economics, etc. But, basically what has it led us to and what is the situation today? The situation is that the national income growth is declining. Even the Seventh Plan targets have not been fulfilled. We are facing double digit inflation. There has been no growth in employment in the manufacturing sector; women employment is declining; the value of the Rupee today stands at 11 paise; two lakh units, big and small all over the country are now lying closed. This is the situation that we see today. What do we have to do to remedy the situation?

I think that to a large extent, we have to go back to the industrial policy that was framed keeping the nation's interests and needs in mind, learn from it, try to go back to it and find our moorings again. That means, once again, we have to reiterate our commitment to self-reliance, we have to reiterate our commitment to the public sector. But I find in the Budget that we do not get enough encouragement that this is really being done.

[Smt. Subhashiniali]

Therefore we have fears that many of the old mistakes will be repeated. What is the result of this? We are talking about small scale sector and development of small scale sector. We are talking about reservation of certain sections of the economy and production for this small scale sector. But we find that multi-nationals have penetrated into the commanding heights; they have penetrated into the core sector and they have penetrated into those areas which we want to reserve for the small scale sector.

Today, oil exploration is being given over to foreign multi-national companies. Not only oil exploration, but also in exchange for their technical know-how, sections of our line are being leased out to them and when they find oil, they are going to be allowed to export a certain amount of oil. So, we are going to be in a peculiar position of importing oil at a great cost from abroad and exporting oil from our very shores in the name of developing foreign know-how and getting foreign technical assistance in the exploration of oil. In the name of public sector, what are we doing? We have got BHEL. BHEL has got a capacity to produce equipment to generate 30,000 MW of electricity. We have projected a need to have 38,000 MW of additional electricity in the next period. But out of that, what are the orders for equipment with BHEL? We are going to give BHEL orders for equipment to produce only 13,000 MW of electricity. The rest of the equipment is going to be ordered from abroad. All the rest of the equipment is going to be imported from abroad. There is a company ABC—Babcock lying sick in Calcutta. It can produce equipment for the generation of electricity. They need orders. The orders are not going to revive this sick industry in our own country! The orders are being given abroad. They are being given to foreign companies. So, multi-nationals are penetrating the commanding heights. Multinationals are taking over the core sector. Multinationals are also going to make detergents which does not even need power, which could be given to the small sector. They will make

tooth-brushes. They will make toothpaste. They will bake aerated drinks. They will promise to process food but they will not do it and the farmers of Punjab will face a situation where their potatoes and tomatoes are rotting and they are waiting for God, they are waiting for Pepsi-Cola to come and lift their vegetables and fruits. It is a very sad situation that the country is facing today. It must be reversed. This penetration of multi-nationals into every single facet of our economy has got to be reversed. The new Government has come into power because of a very big issue that was placed before the people of this country. That issue has been vulgarised—the issue of Bofors. But what is the real lesson we should learn from it? The real lesson we should learn is that one foreign multinational company has got the capability to subvert the entire Government. One multinational company has got the economic strength to subvert the functioning of an entire Government of a big country, an independent country like India. And here, we are closing our eyes to the fact that we do not want Bofors. We are signing agreements with hundreds of Bofors every month and allowing all sorts of elements to enter into our country. We have signed an agreement with Pepsi-Cola. Who is the chairman of Pepsi-Cola? He is Mr. Donald Kendall. Only the other day in Washington when a group of Indian industrialists led by senior secretaries of the Government of India went to the United States of America to talk about trade relations, to talk about exports, to talk about other things, they threatened the Indian delegation saying: The Government of India will have to change its policies. They will have to give up. Why do you want Law of Patents? Why do you want to protect the intellectuals' property rights? Why do you want to talk about policy? Who is the Government of India to decide how much equity participation there should be from foreign countries in joint sector, in joint ventures? Who is the Government of India? This is the kind of language they used. These are the minds of people they are inviting to sensitive parts of India like Punjab saying that they are doing it to solve the problems of Punjab. This is a very ludicrous state of affairs. I think,

something very serious has to be done to change it—this whole role of multinationals. Yes, we need know-how. We need technology. We need to know things which we do not know. We need to get help from them to develop things which we cannot develop ourselves. But in the name of that to allow them to enter every sensitive, every small and big sector of our economic life and of our industry, is absolutely suicidal. This policy must be reversed. This is being done in the name of scarce resources. We don't have the resources! This is now what is being claimed. We do not have the resources to do everything. Since somebody is ready to do it from outside, why should we stop them? But they come here and make use of our resources. It is not that Pepsi-Cola is bringing all its money from America. It is under-invoicing over invoicing, making packets of money there and we are spending Rs. 25 crores also. We are investing Rs. 25 crore of our Indian money also in that project. It is not a question of one Pepsi-Cola. The whole gamut of our agreements with multinational corporations and our collaborations must be studied very carefully.

Now, this question of tetrapack. It is absurd. It is scandalous that every single packet of tetrapack we pay royalty on. We can make it ourselves. Other Government agencies are not using tetrapack. They are using something with less fancy names and packing in it ghee and all that. But tetrapack will be used! We are paying royalty to them. They are capable of making; as such, we are getting it from them! All these sorts of distortions have crept in, which have to be taken out keeping the national interest in view and also keeping the real economic development of this country in view. Just talking about increase of total gross product is not enough. If the total GNP of chips, detergents, soap and video cassettes is increasing and that of steel and cement is going down, the real things you need to build the sinews of your own industry are going down. Then you have to look into the whole thing very carefully and not just be carried away by figures and that also figures which are placed before us by the same people who yesterday

were with IMF, today they are with the Government of India and tomorrow they would be with IMF again. This is a very dangerous situation which is developing in this country and we have to take note of it.

The second thing that I would like to say is that many of the policies were given up by the last Government saying that this is strangling the industry like licensing, MRTP etc. It is not a question of strangling industry. In India, there are physical constraints on demand, because sixty per cent of the population lives below the poverty line. That is why you need licensing. You are unlicensing, delicensing, and having open window system. What happens? You give so many people licences for the same industry to produce the same product and then the industries fall sick. Who suffers? The owners do not suffer, the management people do not suffer, the workers suffer and they are driven to starvation. This is what has happened in industry after industry. I want to give only one example. We have a public sector scooter unit. We have private sector scooter units and we have given so many licences. Now these units are falling sick and workers are being faced with unemployment. The same thing about jute bags, somebody mentioned. First, we allowed the import of nylon fibre to make the nylon bags, which destroyed our own industry. Because that nylon bag seems so attractive, we gave hundreds of licences for its production. They are now falling sick because they have not enough demand to use up their whole capacity. They are all working below their capacity. They are falling sick and the workers are faced with unemployment. So, we have not to be carried away by what Mrs. Thatcher is saying in England, or by what Mr. Ronald Reagan has been saying or what Carla Hills is telling us. We have not to be swayed away by these people. We have to frame policies which are good for our own country, our own development and for that, we should also take another close look at our original Industrial Policy and go back to our original mooring.

I want to make two more points and then I will conclude.

[Smt. Subhashini]

I am sure, the Minister would also like to know where he can cut cost. I want to give him some suggestions. We are very sorry that the Finance Minister has not given enough money for the revival of industries and for giving the public sector the kind of boost it needs. I have got certain suggestions where savings can be made. There is a white elephant in the Ministry of Industry, known as the Bureau of Public Enterprises. This should be renamed as the Bureau of Public Extravagance. This is a bureau of super bureaucrats, who do not have to run the plants, but they want to interfere with every decision taken in regard to the running of the plants. They issue circulars. What sort of circulars do they issue? They say—no wage revision should exceed ten per cent. Since BPE circular has been issued, the wage revision starts from, ten per cent. If the management and the unions sit down and negotiate, they take the conditions of the industry into account also. But when a circular of this sort is issued, the unions also say and the management also says

[Translation]

Now there is no question of less than 10 per cent. The negotiations would begin with 10 per cent.

[English]

So all the wage negotiations are for 15 per cent, 30 per cent and so on. There is no responsibility on the part of BPE. What is actually happening? After the negotiations are concluded without BPE sanction, no agreement can come into force. Three months go by, four months go by, strikes take place, go-slow takes place, victimization takes place, enormous losses are incurred, because BPE is not ready to give its sanction. Not only that, I want to tell you that one housing colony of a public sector enterprise was delayed for two years because the toilet wall exceeded by nine inches than what the BPE in its wisdom thought should be the correct length of that toilet wall. They

could not tolerate nine inches. For two years that housing colony was delayed and the result was that there was 30 per cent increase in the final cost of building that housing colony. So, please save money. Please scrap this Bureau of Public Extravagance. Let the management and union negotiate. You can have a body of representatives of the management of the public sector enterprises. You can have a Committee which includes trade unions and the public sector enterprises. That will be a much better forum to discuss all these matters than this out-moded autocrated white elephant known as BPE which should be scrapped.

About sick industries, I would like to say that you have got BIFR, which is for the revival of industry but it is doing nothing but winding up the industry. All the industries with sick units which have been referred to BIFR, it only recommends that they should be wound up. This is not the way to revive sick industries. The problem of sick industry is a very big problem. Yesterday, the Chief Minister of Gujarat told the Members of the National Integration Council, how the riots are being organised. People who have been starving for the last two years are being hired by the 'thugs' and hoodlums, they are brought here. Since they were unemployed for so many years, and they were starving for all these years, they resort to this kind of way of earning money. These are social problems. Social problems are being created by the sick industries by rendering these workers totally helpless and forcing them to starve. So, this BIFR way of reviving sick industry should be given up.

All the sick industries practically have been rendered sick either by wrong economic and industrial policy of the Government or due to the wrong policies, corruption and mismanagement of the private managements. But who is made to pay the price? I would say it is the workers. The management, the private owners refuse to take any responsibility. I would like to give one example.

There is a factory belonging to Mohin-

dra and Mohindra in Calcutta. For its revival, the BIFR said, "Rs. 17 crores are needed. Rs. 10 crores should be given by the Financial Institutions. Mohindra and Mohindra should provide Rs. 6 crores." It said, "no, we are not going to do anything about it." The factory is lying close. The earlier Janta Government had taken a very bold step when it nationalised Swadeshi Cotton Mills. It took over the entire groups. All the sick and healthy units of Swadeshi Cotton Mills were taken over. That is the only way by which the private management will learn to be responsible; they will be taught that if they make a unit sick they will have to pay for it. The new Government should also adopt this policy. If private management due to their wrong policies or wrong behaviour make certain units sick, their entire group should be taken over by the Government.

Lastly, Sir, I would like to give a concrete suggestion. In 1977 the then Government had called a conference of all the trade unions in the public sector for their suggestions; for their concrete proposals to make the public sector units viable. There was a document which was accepted in that trade union conference. All the 20 trade union organisations of India agreed unanimously to abide by the commitment they made in that document. They gave an undertaking to the Government that they will carry everything which was there in that policy document. Fortunately, Government changed hands and after that, that document could not be found. It could not be traced. Nothing was done about the things that it contained. The then Minister Shri Narayan Datt Tiwari searched for that document for three years and the day he found it, the very next day he was sent to Uttar Pradesh as Chief Minister. So, once again that document just remained in the dark.

So, I would like to appeal to the Government, please find out that document. The trade unions abide by their commitments and they once again want to reiterate that they will do everything in their power to make the public sector viable; to make the public sector strong. Take them into confidence;

and let us work together to change the industrial scene of this country.

[*Translation*]

SHRI DEVENDRA PRASAD YADAV (Jhanjharpur): Mr. Deputy Speaker, Sir, I rise to support the demands of the Ministry of Industry. After independence, we saw two sets of thought come up regarding our future industrial policy. One was put forth by Mahatma Gandhi and Chaudhary Charan Singh—advocates of Indian Mass awakening, while the other was advocated by the first Prime Minister of free India, Jawahar Lal Nehru.

Mr. Deputy Speaker, Sir, Mahatma Gandhi had all along been the supporter of cottage industries. He used to say that India's soul lived in the villages. This implies that the real India was not in cities, but in villages, villagers are poor and mostly unemployed and under-employed.

15.01 hrs.

[SHRI JASWANT SINGH *in the Chair*]

What is the condition of villages today? We will have to give the villagers productive employment. Unless they are provided with productive employment, their unemployment would not end. I would like to say that since we have unlimited manpower and limited land and natural resources, the only remedy is cottage industry. Cottage industry can be established with Small capital and can satisfy our needs. But we all know what sort of industrial policy has been followed by us. As anticipated by Gandhiji, imitation of western heavy machinery based capitalist industrial policy has resulted in mass unemployment in our country. And this unemployment is compounded with concentration of national wealth in few hands and the influx of all the evils of capitalism.

Mr. Chairman, Sir, India's industrial policy was laid down by the first Prime Minister Nehru ji under the 1956 Industrial Resolution. At that time it was said that India's progress is possible only through

[Sh. Devendra Prasad Yadav]

heavy industries, although at that time the slogan of a socialistic pattern of society was also floated and it was under this slogan that our industrial policy has developed.

Mr. Chairman, Sir, again there came the rule of our present leader of opposition Shri Rajiv Gandhi. He too floated a new industrial policy, a new economic policy. Shri Rajiv Gandhi never followed the old policy. During his regime there was a new education policy, a new national policy, a new industrial policy and also a new corruption policy. It was all new with him, nothing old. He announced his new industrial policy under his new economic policy and laid emphasis on efficiency and competitiveness.

He worked with three main objectives before him, viz. efficiency, competition and modernisation. He aimed at giving impetus to the development of Private sector while Pt. Nehru wished to develop the Public Sector. This led to the two-gold development of Bharat—India and the real Bharat, that is, rural Bharat—with a sharp line of difference between the two. Rajiv ji amended the policies of Pt. Nehru to reconstruct India on the lines of expertise, competition, and modernisation. I have pointed this out with a firm hope that the National Front Government would seriously ponder over it. For the last 40 years of Congress rule and throughout the seven five years plans, the configuration of Industrial development and planning has mainly aimed at developing heavy industries with the help of inflated investments and in the process, agriculture, cottage and village industries, have gravely been ignored. It becomes manifest, Mr. Chairman, Sir from the fact that for the last 40 years, a mere 14-24 per cent investment was made in agriculture and irrigation while the investment in industries and other allied services touched 56-60%. The rate of Industrial development was satisfactory in the beginning. From 1956-57 to 1966-67 the rate of industrial development was 7.1 per cent per annum; during 1966-67 to 1979, it was 5.5% per annum. During the decade of 1980, this rate in-

creased to 7% per annum in the 7th five year plan. These figures show that the development rate was not uniform throughout and this is a clear signal of our imbalanced economic system. Consequently, this development of the industrial sector alone led to a unilateral a one-sided development of India leaving the real a rural India underdeveloped. Mr. Chairman, Sir, this policy resulted in harmful industrialisation on the one hand and the encouragement to wrong priorities of production on the other. It, repercussions could be seen in our increasing foreign dependence, grubbing of opportunities by vested interests of a particular stratum of society to grind their own axe, discouragement to cottage and village industries and large scale unemployment. The affluent class and the aristocracy of India could surely be proud of the way industrialisation was advertised for the last few years but this proved to be harmful from the point of view of our national interest. Our industrialisation was a force, a mere window-dressing based on the imitation of the west. A real industrialisation is that which tends to minimise unemployment and poverty.

What is the percentage of industrial production on the one hand and unemployment reduction on the other in our country? The period from 1970-71 to 1980-81 shared an increase of 4.5% in production and 2.8% in employment opportunities, from 1980-81 to 1984-85 it was 8.9% in production and 1.8% in employment respectively. From 1984-85 to 1988-89, production increased to 8.5% and employment opportunities shared a 1.5% increase. Production increased, of course, but the ratio of employment declined. If the development of industries were in conformity with the source of income and production of the country, more employment opportunities could be generated. Heavy economic disparities have been created because of these wrong policies.

Mr. Chairman, Sir, the income of industrial worker has increased which was Rs. 18,847 per annum in 1981 but that of the farmers and the peasants had not increased which was not more than Rs. 1,705 during

the same period. This clearly indicates the grave economic imbalance registered by the industrial development unwarranted production was encouraged. This industrialisation led primarily to the production of heavy items. The Prime Ministers' Economic Advisory Committee has clearly enumerated in its report that the whole production of consumer products during 1981 was meant to be utilised by the affluent class. Mr. Chairman, Sir, a production of 14.7% of such items was recorded during 1981-1989 and that of the commodities to which a common man could be a beneficiary recorded the production of a mere 5.68%. This is a clear testimony to the fact that the industrial infrastructure raised during the last 40 years is meant for the rich rather than the poor and the villagers of India. I would like to say that the achievement of our industrial development manifest itself in the abundance of luxury items in the market and the dearth of necessary commodities of common man's use. This has virtually made India one of the poorest countries necessitating foreign dependence of India in importing heavy machinery and other equipment to meet the challenges of modernisation and development. New techniques in the name of industrialisation were imported to serve and safeguard the interests of the industrialists. Consequently, Mr. Chairman, Sir, two things happened—one, the country crumbled under the heavy foreign debt, and secondly, foreign companies were invited in large numbers to set up their industrial units here. Thus, multi-national companies dominated the scene that tend to creaking this country today. The wide open opportunities for foreign investment and collaboration worked against the interests of the Indian poor. Our hon. Finance Minister has confessed that India is under foreign debt of Rs. 10,000 crores and to repay it, we have to channelise approximately 30% of our exports towards these foreign nations and in that way our economic infrastructure goes into shambles.

Fourth, a particular section of society was given the opportunity to safeguard its interests and the influence of the bureaucracy got dominated as a result of its jurisdic-

tion over the areas like issuance of licences, tax collection, price fixation etc. This encouraged corruption. Mr. Chairman, Sir, corruption, during the British rule, permeated itself into the bureaucracy in an ascending order but during the last two years of Congress rule, the trend has been contrary, in a descending order; a novel order of corruption invented by the top industrialists and the capitalists because they got ample opportunities of hoarding money. The bureaucrats, big industrialists and the capitalists dominated our social set-up so much so that the democracy could not present itself from coming under their influence. The deteriorating law and order situation is a direct result of this modern industrialisation. Mr. Chairman, Sir, there has been very little investment in this agriculture-dominated country which can't achieve prosperity by westernised industrial system. Dr. Ram Manohar Lohia and Chaudhary Sahib had repeatedly, said that we shall neither follow the capitalist nor the communist economic systems but adopt a socialistic economy that suits our circumstances. I would like to give some suggestions. The Congress regime stopped the flow of subsidy to small scale industries on Oct. 1, 1988 which was reinstated by the National Front Government. Many such bold steps need to be taken because the question is as to how can India become independent and the new industrial policy shall be shaped to achieve this end. Late Chawdhary Charan Singh had, following Pandhian economic policy, written a book entitled, "Economic Nightmare of India, its causes and cures." Mr. Chairman, Sir, that book was based upon four interconnecting pillars—small farm-holding and small industry leads to healthy production malling for a prosperous country. It was written that book that apart from indispensable industries like that of production of railway engines and defence equipment, unnecessary industries shall not be installed because that leads to unemployment which consequently leads to poverty. If the cause of unemployment is eradicated, poverty can be eradicated. I would precisely like to give certain suggestions that the industrial system should be controlled by licencing. So far as arrangements for decentralisation of

[Sh. Devendra Prasad Yadav]

industry are not ade, we can't get rid of foreign debt a bureaucratic dominance and the employment opportunities can't be generated.

I would, therefore, like to suggest that the entire licence issuing policy should be made much more striffer. More licences should be issued for those industries which require small capital and the number of licences for heavy industries should be reduced. This principle should be followed strictly. Secondly, I would like to suggest that if we want to make the country self-reliant on the basis of indigenou technology, we must abandon foreign capital and capital intensive technology. It should be seen that the country develops indegenou technology, because resources available in the country cannot be utilised fully with foreign technology. For instance, I would like to make a reference to my area. I come from Jhanjharpur constituency in Madhubani District of North Bihar, which is located on the Indo-Nepal border. This is an industrially backward area. There are three sugar mills in this area, viz. Rayam Sugar Mill, Lohat Sugar Mill and Sakri Sugar Mill. Through you, I would like to inform the Government that they by products of all these three milis are going waste. Nowhere else in the world there is such an industrial policy under which by-products of such a huge quantity go waste. Huge quantity of molasses goes waste. If a spirit and alcohol factory is set up there, this huge quantity of molasses could be utilised and it will provide employment to the poor and backward villagers of the area. 'Makhana' is also produced in this area. Nowhere in the world 'Makhana' is produced in such a large quantity. Makhana is produced in Madhubani and Darbhanga districts of North Bihar. But it cannot be put to any use. It's food processing should be done properly. The Silk industries are also lying idle in Bihar. The cottage industries have been closed down. I would like to say that the silk industry in the State should be revived. At the same time I want that the small scale

industries and cottage industries which have since been closed down should also be revived. The previous Government had put a condition that no new sugar mill could be set-up within a radius of 40 Kilometres or 25 Kilometres of an old sugar mill. Why there should be a condition on agro based industries, while there are no such conditions on capital based industries being set-up by big capitalists. It is a misfortune of the country that no conditions have been laid for setting up heavy industries. Mr. Speaker, Sir, I, therefore, request you to scrap these policies and the ban on setting up of sugar industries within a distance of 40 Kilometres should also be done away with. There should be no such ban at all. Rather, the sugar producing farmers should be encouraged further by setting up sugar mills in the areas which produce maximum quantity of sugar cane.

Mr. Chairman, Sir, while making my final submission, I would like to say that, when the Janata Party was in power in 1977, 500 items were reserved for conventional industries. But the previous Government cancelled that reservation. Mr. Chairman, Sir, I want that this point should be taken into account seriously. In fact, the National Front Government is considering it seriously. Now there are proposals to reserve 836 items. I suggest that this number should be raised to 1000. Small items which could be manufactured manually or by small machines, should not be given to heavy industries. It should be ensured that under no circumstances items which can be produced by small machines are entrusted to big industries. As such there should be a ban on getting the small items manufactured by big industries and these items should be reserved for small industries.

MR. CHAIRMAN: Shri Sukhendra Singh ji, I would like to make it clear to you that exactly at 3.00 O'clock, private members' business will be taken up. You cannot complete your speech within 5 minutes. In case you are not able to complete your speech, you may continue on the next day.

SHRI SUKHENDER SINGH (Satna): All right, I shall be brief. I shall adjust myself within the available time.

SHRI ISHWAR CHAUDHARY (Gaya): Mr. Chairman, Sir, I will take 5 minutes. My name is also there in the list. I will conclude my speech in 5 minutes.

SHRI SUKHENDER SINGH: My name comes first.

MR. CHAIRMAN: I know, your name comes first and that is why I called you. Names will be called in the same order they figure in the list. I am calling the names in the same order that was given by your whips. That is why I tell you that if you cannot complete your speech within 5 minutes, you can continue on the next day. In this way you can start the discussion next day when the debate is resumed.

SHRI SUKHENDER SINGH: I will speak today and continue my speech on Monday.

MR. CHAIRMAN: So you will continue.

SHRI SUKHENDER SINGH: Mr. Chairman, Sir, I express my thanks to you for providing me time to speak. The Hon. Minister of Industry is not present here. It is all right that the Government as well as the hon. Minister of Industry made an announcement that thrust will be laid on small scale industries, but, I do not think that under the present circumstances, despite government's best efforts, the small scale industries could progress. It has been my experience for the last 40 years. The big business houses and big industrialists will never relish the idea that small scale industries should prosper. I, therefore, request you to impose restrictions on these big industrial houses and particularly they should not be allowed to manufacture those items which could be produced by small scale industries. In view of the rising unemployment in the country, it becomes most essential that incentives should be given to small scale industries so that the exodus of people from villages to cities and their living in Jhuggis could be checked. If

small scale industries are not set up, exodus of people will continue to be there and the problem of unemployment cannot be solved.

Mr. Chairman, Sir, I have been elected from a constituency falling in the Bundelkhand region of Madhya Pradesh which is the most backward area. As you are aware, Bundelkhand consisted of ex-princely states which did not do anything for the development of the region. During the last 40 years also, no industries worth the name have been set up in this region. All the districts falling in this region are no-industry districts. If there is any industry in the region it is dacoity industry where people commit dacoity at gunpoints and maintain their livelihood. There is no scope for any employment in the area. I also know that it is not possible on the part of the present Government to provide jobs to everybody. But the poor villagers in the area could be helped a lot if small and cottage industries are set-up there. The people can be engaged in these industries and they can make a living out of that. The previous Government followed a policy of negligence in respect of Madhya Pradesh. The state is very rich in mineral wealth. Though coal is mined in Madhya Pradesh, it is being sent elsewhere. Various kinds of ores like bauxite are found in abundance in Madhya Pradesh, but these minerals are not utilised in the state. In this way Madhya Pradesh has been subjected to exploitation. There is a vast potential for setting up industries in Madhya Pradesh, but due to the policy of negligence of the Central Government, the State could not make any development. Through you, I would therefore, like to request the Government to set up small scale and cottage industries in the areas and districts where no industry has so far been set-up, where there is large scale unemployment and where people indulge in dacoity and theft due to lack of employment opportunities. It will help develop the state and also provide jobs to unemployed people.

I would like to make yet another submission about Madhya Pradesh. A gas pipeline passes through a 550 Kilometre long area in Madhya Pradesh, but the pipeline is of no

[Sh. Sukhender Singh]

use to the State. I feel that if a gas based power plant, could be set-up at Rajgarh, it will not only meet the power requirements of Madhya Pradesh, which is facing a 17 per cent shortage but also provide relief to western parts of Rajasthan which are experiencing acute shortage of power. I, therefore, strongly demand that a gas based power plant should be set up at Rajgarh immediately.

Today, setting up of industries is the most essential thing in Madhya Pradesh. Of course, there are several small cement factories in Madhya Pradesh, but the major one is located in Satna. If the lime stone available in Madhya Pradesh is not transported to anywhere else and is utilised in the State itself it would accelerate the pace of development in the state. It does not call for any special technology. I want that the Government should take quick decisions in this regard and open new factories in the State.

There are a number of constraints with regard to the implementation of the Forest conservation Act. Due to the provisions of this Act, it has not been possible to set up many such industries which have obtained clearance from the Government. The Jungle records pose obstructions in their establishment. I would like to submit that suitable amendments in the Forest Conservation Act should be made and the Act should be made more flexible so that it does not pose any obstruction in the setting up of industries and as a result of which maximum number of industries could be set up in Madhya Pradesh.

There is a pesticide factory in Vidisha, but the quality of the product is very inferior. There have been a number of complaints from the people against the product. I request that these complaints should be considered and an enquiry held into them.

Mr. Chairman, Sir, Diamond is extracted from the mines at Panna in Madhya Pradesh. But due to reasons not known the diamond industry at Panna is also running at a loss as

a result of which many people are being rendered jobless. There are Saree industries in Sheopuri and Chanderi. The sarees of Chanderi have a tradition of their own and are world famous. But it is a matter of regret that this industry is also incurring losses in want of any incentives from the Government. The Cocoon industries in Bilaspur district are also not prospering because of the indifferent attitude of the Government towards them. The only solution to the ever increasing problem of unemployment in Madhya Pradesh lies in this that a network of small and cottage industry should be spread all over the state. The Government have also declared that with a view to encouraging the small and the cottage industries it would provide facilities and assistance to them. If the small and the cottage industries and assistance to them. If the small and the cottage industries are set up all over the country in conformity with the Government's policy, we would certainly achieve success on many fronts. Today rural people are migrating to urban areas in search of jobs. In cities, they live in Jhuggi-Jhopadis. Some of them are pulling rickshas and some are working as daily rated labourer. They are leading a pitiable life. Many agro-based industries can be set up in rural areas to provide jobs to the rural people there itself and that would help in checking the migration of rural masses to the cities.

Mr. Chairman, Sir, I would like to say that there are not many industries in Satna district and as per the present policy of the Government, industries can be set up only in backward districts and in no industry districts. In this regard, I would like to say that the entire Madhya Pradesh is a backward state. Therefore, this yardstick should not be applied there and industries should be set up in all the districts in Madhya Pradesh. Therefore, I would request that this condition should be relaxed for Satna district and it be declared as a backward district.

Mr. Chairman, Sir, while not taking much time of the House, I would like to say one thing that Satna city is gradually growing as an industrial city and that is why there is a

proposal to set up an Industrial Development Centre in Satna. All the formalities in this regard have been completed. Therefore I would request the hon. Industry Minister to approve this proposal. In spite of the availability of all minerals including coal, steel etc., Madhya Pradesh is being neglected which is not a good thing. Therefore, I would request that the present Government should pay special attention towards it and more and more industries should be set up there so that people may get employment there. With these words, I conclude and thank you, sir, for giving me time to speak.

15.31 hrs.

COMMITTEE ON PRIVATE MEMBERS'
BILLS AND RESOLUTIONS
First Report

[English]

SHRIMATI BASAVA RAJESWARI (Bellary): Sir, I beg to move:

"That this House do agree with the First Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 11th April 1990."

MR. CHAIRMAN: The question is:

"That this House do agree with the First Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 11th April, 1990."

The motion was adopted.

15.32 hrs.

CONSTITUTION (AMENDMENT) BILL*
(Insertion of New Article 31)

[English]

SHRI SUDHIR GIRI (Contai): Sir, I beg to move for leave to introduce a Bill further to

amend the Constitution of India.

MR. CHAIRMAN: The question is:

"That leave be granted to introduce a Bill further to amend the Constitution of India."

The motion was adopted.

SHRI SUDHIR GIRI: Sir, I introduce the Bill.

15.33 hrs.

CONSTITUTION (AMENDMENT) BILL*

(Insertion of New Articles 75A and
164A)

[Translation]

SHRI SHANTILAL PURUSHOTTAM DAS PATEL (Godhra): Mr. Chairman, Sir, I beg to move that leave be granted to introduce a Bill further to amend the Constitution of India.

[English]

MR. CHAIRMAN: The question is:

"That leave be granted to introduce a Bill further to amend the Constitution of India".

The motion was adopted

[Translation]

SHRI SHANTILAL PURUSHOTTAM DAS PATEL: Mr. Chairman, Sir, with your permission I introduce the Bill.