

*Demand for Grants, 1988-89, in respect of the Ministry of Food and Civil Supplies
voted by Lok Sabha*

No. of Demand	Name of Demand	Amount of Demand for Grant on Account voted by the House on 18th March, 1988		Amount of Demand for Grants voted by the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4	5	6
	Ministry of Food and Civil Supplies				
37.	Department of Food	406,37,00,000	20,81,00,000	2031,93,00,000	104,04,00,000
38.	Department of Civil Supplies	8,10,00,000	71,00,000	40,51,00,000	3,52,00,000

14.07 hrs.

[English]

Ministry of Industry

MR. DEPUTY SPEAKER : The House will now take up discussion and voting on Demand Nos. 50 to 53 relating to Ministry of Industry for which four hours have been allotted. As the hon. Members are aware, guillotine in respect of the remaining Demands will take place at 6.00 p.m. today.

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, 1989, in respect of the heads of Demands entered in the second column thereof against Demands Nos. 50 to 53 relating to the Ministry of Industry”.

Demands for Grants, 1988-89, in respect of the Ministry of Industry submitted to the vote of Lok Sabha

No. of Demand	Name of Demand	Amount of Demands for Grants on Account voted by the House on 18th March 1988		Amount of Demands for Grants submitted to the vote of the House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4	5	6
	Ministry of Industry				
50.	Department of Industrial Development	82,40,00,000	29,91,00,000	266,97,00,000	149,55,00,000
51.	Department of Company Affairs	1,19,00,000	—	6,00,00,000	1,00,00,000
52.	Department of Chemicals and Petrochemicals	1,58,00,000	19,34,00,000	7,87,00,000	96,66,00,000
53.	Department of Public Enterprises	4,08,00,000	77,99,00,000	20,40,00,000	339,93,00,000

14.08 hrs.

[SHRI SOMNATH RATH *in the Chair*]

SHRI BHATTAM SRIRAMA MURTY (Visakhapatnam) : I would like to make a particular reference to the functioning of the public sector enterprises directly under the Ministry of Industry. If you look at the production of various public sector enterprises under this Ministry, you will find that year after year the production is declining. In the year 1980-81 the production was worth Rs. 188.15 crores. In 1987-88 it came down to Rs. 125 crores. This is the first point that I would like to make.

Similarly, if you see the financial performance, out of 24 units with which this Ministry is directly connected, all are loss making units. All the engineering units are incurring losses. All the consumer units are incurring losses. The consultancy and contracting firms are incurring losses. The loss of public to the Department of Public Sector Enterprises was Rs. 65 crores in the year 1985-86. Next year it went upto Rs. 103 crores. In 1987-88 it went upto Rs. 704 crores. This is the financial performance.

During the course of the Seventh Plan period, a total amount of Rs. 1663 crores was expected to be spent, out of which Rs. 1300 crores have already been spent in the first three years. In spite of that no commensurate results have been achieved. Almost everywhere, at every stage, we find only a history of consistently and repeatedly incurring losses in each industrial units. For instance, under the Heavy Engineering Corporation, the losses from 1985-86 to 1987-88 have been increasing. In 1986-87 the loss incurred was Rs. 53.92 crores and in 1987-88, it was round about Rs. 57 crores. In the cement sector the loss is going to increase. In 1987-88, the loss is Rs. 57 crores. So, from 53.92 crores, it goes up to Rs. 57.83 crores. In Cement Corporation of India, in the year 1986-87, the loss was about Rs. 21.02 crores; in 1987-88, it was Rs. 25.33 crores. In the year 1988-89, they have targeted to increase the loss by about Rs. 34.05 crores. This is their target... (Interruptions)

AN HON. MEMBER : Target for what ?

SHRI BHATTAM SRIRAMA MURTY : Target for increase of losses.

In the Cycle Corporation of India again, in the year 1984-85, the loss was Rs. 8.55 crores. In the year 1987-88, it was about Rs. 11.8 crores. In 1988-89, it has projected that the loss would be of the same order.

Similarly, the Sports India is another famous example. The Minister himself had some time back said that he wants the involvement of the private sector industries. Here again the same pathetic story of incurring repeated losses can be seen. In the year 1985-86, it was Rs. 16.42 crores; in 1987-88, it went up to Rs. 26 crores, the accumulated losses being Rs. 105.26 crores.

Rehabilitation Industries Corporation, which is expected to rehabilitate some of the sick units, has itself gone into debt. In the year 1986-87, its loss was to the tune of about Rs. 905.56 lakhs; in the earlier year it was about Rs. 636 lakhs. So, the losses are increasing.

Same is the case with Hindustan Paper Corporation. For instance, if we take Hindustan Newsprint, their loss in the year 1985-86 was Rs. one crore. In the year 1987-88, it was Rs. 7.57 crores, and in the year 1988-89 it is targeted to be further increased to Rs. 7.23 crores.

In the Nagaland Pulp and Paper Company again, in the year 1985-86, the loss was Rs. 23 crores; in 1987-88 it was Rs. 25.65 crores; and in 1988-89 it is going to be further increased to Rs. 27.82 crores. That is the target.

In Nagaon Paper Mills, in the year 1985-86, the loss was Rs. 22.47 crores; in the year 1988-89, the targeted increase of loss comes to Rs. 55.22 crores.

This is the story of the public sector enterprises which are directly under the Ministry of Industry.

Now I come to capacity utilisation. Here again I cannot give a word of appreciation on seeing the various facts. Take, for instance, the Heavy Engineering Corporation. Its capacity utilisation varies from 47 per cent to 55 per cent. Only in one year it went up to about 66 per cent. So, the low capa-

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city utilisation has been a constant feature. In the National Bicycle Corporation, in the year 1984-85, the capacity utilisation was 75 per cent and in the year 1986-87, it came down to 36 per cent. This is the improvement! Similarly, take Scooters India Ltd. Its capacity utilisation was 25.8 per cent in 1984-85 which came down to 8 per cent in 1986-87. In Cycle Corporation it was 71 per cent; it came down to 51 per cent. I can multiply any number of cases. It is no use taking the time on this particular aspect, but it will be sufficient if the Minister also gives his attention to this particular aspect and tries to do something to improve the functioning of the various units which are under his control. For instance, if I make a brief reference to HMT, it is not taking up any expansion programme at all. Their tractor manufacturing capacity is to be expanded and there is no money for it. So, they are not doing it. The lamp division is also a loss-making one. So, something has got to be done in order to revive that and revamp that.

As far as BHEL is concerned, it has a large stock of old machines costing about Rs. 200 crores. If it has got to be replaced, then the Government requires about Rs. 1,000 crores, which they do not have at the moment and, therefore, they have got to put up with this obsolete equipment.

Now I make a brief reference to BHPV. It is clubbed with about five other loss-making units. I do not know for what purpose. This is highly obnoxious and highly reprehensible and cannot be justified on any ground. When its headquarters shifted to somewhere like Allahabad, it was continuously a profit-making unit, and now, after it has been clubbed with other continuously loss-making units. So, something has to be done with regard to this. I, therefore, request the Minister to kindly.....
(Interruptions).

THE MINISTER OF INDUSTRY
(SHRI J. VENGAL RAO) : BHPV is an earning unit today also.

SHRI BHATTAM SRIRAMA MURTY : Last year it went into a loss of about Rs. one crore. I can give you the figures. But clubbing itself is objectionable. That is what my submission is. It went into a loss,

that can also be proved. I can show it to you that even on the floor of the House such figures have been given.

Now, Sir, as far as the improvement of these units is concerned, one factor stands out, namely, the gestation period for the completion of any project which is undertaken has to be reduced considerably. Otherwise, the cost escalates and the difficulty arises, and you will not be able to produce any results commensurate with the expenditure incurred. Take, for instance, the Tandur Cement Project. Originally, the estimated cost was about Rs. 56.76 crores and then it went up to Rs. 154 crores. This is almost a three-fold increase. Similar is the case with Hindustan Paper Corporation. For instance, if we take the Nagaon Paper Mills, the estimated cost was only Rs. 114 crores; it went up to Rs. 310 crores. For Cachhar Paper Mills, the original cost was Rs. 114 crores, it went up to Rs. 317 crores. Similarly, for U.P. Gas-based Newsprint Project, the estimated cost was Rs. 217.7 crores; it went up to Rs. 319 crores. All these indicate a heavy amount of loss. The Minister himself knows about this personally too well. Similarly, for the Yerraguntla (AP) Expansion programme, the original estimate was about Rs. 78.52 crores and then it went up to Rs. 177.25 crores. So, this is the story. Out of a total amount of about Rs. 62,000 crores spent on the public sector projects in the country as a whole, about Rs. 20,000 to Rs. 22,000 crores account for the escalation of costs and prices because of the delays in the execution of these projects. Let that be very clearly understood. Therefore, I wish to make it very clear that unless some steps are taken with a view to improve the situation in this direction, nothing is going to happen.

Now I may repeat very briefly the chronic maladies which are plaguing the public sector industries. These are :

- Low productivity;
- Lower percentage of utilisation of capacity;
- Low-quality product;
- No adequate return on capital invested;
- No internal generation on funds;
- Technological obsolescence; and
- High operational cost.

These are all various difficulties. May I know from the Minister whether he has done anything in the direction of improvement of the situation from anyone of these angles, and if so, with what effect?...*(Interruptions)*

AN HON. MEMBER : Memorandum of Understanding also is there.

SHRI BHATTAM SRIRAMA MURTY : Yes, Memorandum of Understanding is also there and it is going to create a lot of misunderstanding later. Some time back it was promised—of course, not by the Ministry of Industry, I think by the Minister of Finance—that a White Paper will be presented on the functioning of the various public sector industries. Supposing it is now made available to us, it may be very useful for us to continue this debate. But it is not available. I suggest humbly to the Minister that he may prepare a sort of a corporate plan, with specific goals and objects, in respect of each single individual private enterprise which is under his jurisdiction, and also undertake simultaneously the programme of modernisation and expansion. Otherwise it is meaningless because the old and obsolete units will not be able to yield the required results.

At this point of time, I would also like to make one more point. As far as the public sector projects are concerned, the objectives are very clear and they are very well laid down. One of the objectives is production and distribution of income and wealth.

It is for you to see that there is no accumulation and concentration of economic power and wealth. That is also one of the objectives of the public sector undertakings. This directly comes within the jurisdiction of the Finance Ministry, not the Industry Ministry. But then I have to make passing remarks because the replies given at one time to my question was embarrassing and highly detestable. But at one time, I asked the gross and net profits earned by the big houses during the last three years. The reply given was like this,

“The names of the so called big business houses have not been indentified.”

Sir, the Government is not aware what the big business houses are and again Mr. Minister kindly note the sentence given in the reply :

“...that the information regarding Gross Profit of each company and firm owned by large industrial houses cannot be obtained. The efforts put in to do this exercise may not be commensurate with the result, in terms of costs and time.”

It is no longer useful. What is their profit, Sir? The Government does not want to know it. As a matter of fact, if I can make a reference to the latest issue of the “Business India”, they have produced an article giving a list of 100 top companies in the private sector and also the profit earned by them during the last three years. The Government thinks that what they have given is useless today. That shows the attitude of the Government. This is the point which I would like to make and for which I do not want to make the Minister responsible and I cannot pull him up. Sir, I cannot particularly and individually make him responsible for that. This is the state of affairs. Now, for instance, Reliance Company have increased their assets three times right from Rs. 600 crores to Rs. 2000 crores from 1986-87, that is, they have increased more than three times. The total top 15 Business Houses have increased their assets from Rs. 18,000 crores to Rs. 31,000 crores, that is, more than Rs. 13,000 crores during the last three years. There is an increase of each one of the big business houses by more than Rs. 3 crores. It is very clear that these statistics have been produced by the “Business India”. But the Government refuses to take this factor into consideration and take note of it. This an unfortunate situation. The hon. Minister may kindly make use of his good offices and try to know why this has happened. It is because he is the Minister in charge of Industry he is also expected to promote a sort of equality and reduce inequalities and reduce the concentration of wealth in a few hands.

Sir, let me come to the second objective of the public sector undertakings, that

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is, the creation of employment opportunities. It is absolutely necessary to create more employment opportunities; otherwise, it would be meaningless. How will you create employment opportunities? About 1.45 lakh units have become sick. Out of these, about 714 are large units and about 1250 are medium units. Obviously, employment opportunities are reduced, not increased, because of the closure of about 1.5 lakh units in the country. Now, how do you contribute to the increase in employment opportunities? Of course, the AICC must have passed a Resolution to this effect. But how will you produce results when the mills are being closed day-in and day-out. The average monthly placements during April-November 1987, declined from 29,000 to 28,000. The growth in employment in the organised units has increased marginally. That is given in the Economic Survey Report which was circulated on the eve of the Budget Session. The magnitude of the problem is somewhat like this. By the turn of the Century about 110 million people are going to enter the labour market and most of them would like to work in the non-agricultural sector. Now, will you be able to provide them jobs in the agricultural sector, which is next to impossible? You have to find placement for them in urban areas and therefore you have to industrialise and if you don't industrialise you are finished. There is no other course left. You have to provide employment to them and therefore you have to increase the number of industries. The public sector industries should at least take up this challenge. The other objective is to reduce the regional imbalance.

And this is a matter concerning him also. I know, as a Chief Minister he was very much concerned with this as far as Andhra Pradesh is concerned at that time. What is due to us should come to us. If it does not come to us, then we cannot be still contented. And therefore, as far as the regional imbalance is concerned, in respect of Andhra Pradesh what is it that was done? I do not want to go into the subject at length, but then it is for him to examine and do some introspection and see what is his contribution or the contri-

bution of his Department as far as reduction of imbalances in Andhra Pradesh is concerned. As I have pointed out the other day, *viz.*, hitherto previously, for the last about 60 years or so, there was a system, there was a policy under implementation. Under the Central subsidy scheme in selected backward areas, in certain blocks, the Planning Commission will select the districts and the blocks are also selected then about 15 per cent of the total investment on account of certain infrastructural facilities etc. will be borne by the Government, and that has been working well. Now, how is it that you are going to give a go-by to this giving it up? They are only an extension. It is going to close very shortly.

SHRI J. VENGAL RAO : It is already closed.

SHRI BHATTAM SRIRAMA MURTY : It is already closed. And what are the reasons, what is the criterion, what is the purpose, what is the rationale and justification for doing that? If you want to develop a backward area, you must have to do it. You do not want to do anything in the backward areas, you do not want to do anything for the country, you do not want to save the country. And in respect of that you want to have the growth centres. The concept of growth centre is totally different. If you want to have a growth centre, then you have to industrialise a particular area. If you want to develop a backward area, you have got to develop this area. Developing a backward area is totally different from developing an industry. And how to club both of them? They are highly inter-related conceptually and basically and they have nothing to do with each other. And therefore, I would like to humbly point out that there is a feeling in the South. Even in regard to growth centres, my understanding is that you have not consulted the State Governments. To find out what was their opinion, have you consulted them? And what are the growth centres which were selected as far as South is concerned? In Andhra Pradesh how many growth centres are there? You have not consulted anybody.

SHRI J. VENGAL RAO : Not yet finalised.

SHRI BHATTAM SRIRAMA MURTY : It is not yet finalised, but then the thing is this. Then something has got to be done in regard to this. Unless that is done, it is very difficult and nothing else is going to happen.

Sir, let me take a few minutes more, as I am initiating the debate.

One thing is important. As far as private sector is concerned, I put a question some times back to the Minister and he gave a reply. I asked : 'Will the Minister of Industry be pleased to state (a) the Government companies which have been converted into non-Government companies since 1970 ?' I mean, how many of them are there ? That is what I asked. The question is clear. The answer was :

"As and when the paid-up capital held by the Central Government or by any State Government or partly by the Central Government or partly by one or more State Governments, or by a subsidiary of a Government company etc. is reduced to less than 51 per cent of any company, that company is converted into a non-Government company."

Because it is less than 51 per cent, it automatically gets converted into a non-Government company. It is okay. But as far as private companies are concerned, I am not going to make this point. Now, in a number of private companies, the public sector financial institutions are having more than 50 per cent of their investments. Then what are you doing ? And people know that they are only private domestic houses. For instance, in Escorts 54.04 per cent is already held by the Government financial institutions etc., in Andhra Valley Paper Mill, Bangur, 59.87 per cent is held by the public sector financial institutions, in Kifloscar Pneumatic it is 69.42 per cent, in Andhra Valley Power Supply Co. (Tata) it is 51.18 per cent, in Hindustan Brown Boverly it is 63.93 per cent, in Gujarat State Fertilisers it is 74.12 per cent, in Nagarjuna Steel Ltd, it is 68.36 per cent, in Banswara Syntex Ltd, it is 82.15 per cent and in Vikrant Tyres it is 71.31 per cent. You have got so much of money invested

in them. Do you want private people to manage the things ? You give them money and give the management to them ? And how is it that you find such a happy company in them ? You are in such a happy company and continue to be there. And as far as you are concerned, in a case when you have reduced it to less than 51 per cent, immediately you turn it into a private company. But there, your money is there, it is still under their management. It is something basically wrong. There is something basically wrong. Conceptually, they can have every thing. Therefore, let the Government not run into the pocket of private business people. This is not a good image.

I would make one more point, about the big business invading the small scale sector. The big business houses are entering into the small scale industries. The Minister is very well interested in the small scale sector, its preservation, upliftment and development. I am very much convinced about it. A separate paragraph is also incorporated in the annual report. But the facts are different. The infiltration of big business houses into small scale sector is continuing without any let or hindrance, in spite of proclaimed policy of the Government. New small units continue to be floated by them and even announcing as part of their respective houses. I want to give one example. There is Maegadyt computers floated by the children of Mafatlal group and they proudly say that it is part of the Mafatlal House. That is the situation.

Sewing machines are reserved for small scale sector. Then why should the National Small Scale Industries Corporation join hands with the multi-national corporation ? Do they not have sufficient machinery to undertake this activity ? Do we require multi-nationals to sell sewing machines ? Why don't you encourage small scale units to make and sell sewing machines in the domestic market ? Why do you not ask Singar to go back like IBM and Coca Cola ? The worst part of it is, the Government willingly left the complete management and control to the hands of these multi-nationals. But for whose benefits, was this done ?

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Similarly, take the example of Bata company, Colgate, Britannia and several other things. In the small scale sector, big business houses, multi-nationals come and operate. They corner all the benefits and concessions which are being offered to the small scale sector. And the bigger fry, biggest shark eats away the smaller fry. This is the situation which I have to point out.

14.32 hrs.

KUMARI MAMATA BANERJEE (Jadavpur) : Mr. Chairman, Sir, I rise to support this Demand for Grants with the hope that the hon. Minister will listen to me very carefully.

When India became independent, its industrial capabilities were extremely limited. The industrial sector was not only small but its range was very narrow, the average industrial growth being mere 2% per annum. But now our industrial growth has risen to 9% per annum. So, I would like to congratulate the Ministry on this achievement. What is even more encouraging is our progressive success in realising the aim of self-reliance.

I am supporting this Demand because I come from a State which is facing maximum problem regarding sick industry. I am very much interested to speak about the other States also. But, as you know, in our State, we are having so many problems and time is very limited. That is why, I do not want to go into details.

We have a federal set up in our country and the Central Government is a mother and the State Government is a child. It is the duty of the mother to look after those children, which are physically handicapped, which cannot properly and effectively walk, which cannot digest properly also. I do not know, what my State Government did for these 10 years. But, Sir, if you go through the industrial scenario in my State, you will find 80% industries are now closed and 20% industries are going to be closed. If everything is going to be closed, how will we survive. We are now bedded completely and totally. So, give some positive medicine to us so that we are revive ourselves.

If you go through the industrial scenario

in our country, according to the Reserve Bank of India report, in December, 1983 the number of sick mills was 80,110. Annual outstanding Rs. 3,101.29.

In December, 1984 the number of sick units was 93,282.

In December, 1985 the number of sick units was 1,19,606.

In June, 1986 it was 1,30,606.

You have already set up one Board for Industrial and Financial Reconstruction Board. We welcome your measure. Some industries will come over to Bengal. When are they going to register their names, mainly this Machinery and Manufacturers Corporation in Calcutta? BIFR called a meeting some time later and they have taken a decision that they will wind up this industry. This BIFR is set up for the revival of the sick units. If they are going to close down the sick units, then what is the need of this BIFR? Last hearing of the Machinery and Manufacturers Corporation is on 25th of next month, I would request you not to accept this proposal of BIFR to wind up this unit. You look to the interests of the workers. BIFR should function effectively, (*Interruptions*) BIFR should be effective and they should work for the interests of the workers and not for the interest of the management. When I was a Member of the Industrial Consultative Committee in 1985, Mr. N.D. Tiwari was the Finance Minister and I raised this matter many times. I requested the Minister to call an exclusive Bengal MPs meeting to consider revival of some sick units. Then the Industry Minister assured me in that meeting that he would call the MPs meeting exclusively for Bengal MPs to consider revival of some sick industries. After that, two years are over but there is no outcome. There is no fruitful result. That is why, I again request you to please call a Bengal MPs meeting exclusively in the interests of Bengal people, as it is most important.

Two, under your Industry Minister there is no monitoring committee so far as I know. Who will listen to the grievances of the workers? That is why, I request you that there should be one monitoring cell under the Ministry of Industry which would listen to the grievances of the workers

and they can take proper decisions to help the industry.

Three, the Company Law Board is notified. But sometimes you have seen this Company Law Board are indulging in transferring the share from one man to another. It is already reported in the newspapers that Peerless General Investment Corporation are having Rs. 600 crores public money but they diversify this fund from one company to another company. I do not know whether the Company Law Board would allow them to diversify their fund or not. But I would like to request that the Company Law Board should be strict in the matter of share transfer.

Four Sir, you know the attitude of the management. I am not telling about all the managements. But what happens, in practice, is that sometimes the management states that this Company is going to be sick and they are going to close down the units. After that, what is the fate of the workers? The workers are going to die and they are starving for food. They do not have any opportunities to get anything more from the management. But what is the management doing? The Company is working for five years in a particular industry. After that, they are misusing the funds and because of lack of capability and lack of efficiency the company is going to be closed. After that they are going to join another company. Then, what happens is that they are going to be rewarded and the workers are going to be punished. If this thing is going on, how will the country survive? Here, I do not say that our industrial position is bad. Our industrial position is, of course, good compared with any other country. I have to welcome that. I would also welcome the Government's measures regarding modernisation and upgradation etc. But can you suggest retrenchment of workers and staff for modernising the factory? If you are going to modernise any factory, it should be only in the interests of the workers. There should not be retrenchment in order to modernise any factory. They should take the workers. The workers have to be encouraged to work in order to make the

unit viable. They should not retrench the workers in order to modernise the industry. Of course, I welcome modernisation. But modernisation should not affect the workers interests.

I would like to raise one more problem. I met Shri Arunachalamji so many times. I met Shri N.D. Tiwariji also. I have written 100 letters to the Prime Minister also. It is very important to me. There is one industry called the Steel and Allied Products Ltd. which is in my constituency. It is one of the pioneering companies of my State. In the year 1976, they have received Gold Medal. Their performance was good. But due to mismanagement and due to inefficiency as also due to inefficient trade union movement, this company became sick and it has been closed since 1980. I am grateful to our beloved Prime Minister because he assured me in his letter that the matter would be examined by the concerned Department and the Department would look into this matter carefully. I have received this letter two or three days back. Also, while Shri N.D. Tiwari was the Minister, in the Consultative Committee he assured me that he would consider this company to be registered in BFIR. But two years have been over. The position of this company is in an advanced stage of liquidation.

SHRI J. VENGAL RAO : What is the name of that Company ?

KUMARI MAMATA BANERJEE : The name of the Company is 'Steel and Allied Products Limited.' After that, I did not get any information. Now, that company is in an advanced stage of liquidation. About 2000 workers are involved in this company. The IRBI has already stated that number one unit should become viable. I would be very much grateful to you if you could kindly consider this. There is a serious condition. 10 workers had already expired because of starvation. This is a very sentimental and emotional issue in my constituency again and again. I do not want to say anything about my constituency. I am a Member of Parliament and I always keep in my mind the interests of my State and my country. This time I am earnestly requesting you about this. This is

[Kumari Mamata Banerjee]

a most important issue, as far as I am concerned.

Regarding Bengal Potteries, today morning also I asked a question. But the hon. Minister did not reply. I do not know why I did not get his sympathy. It is a longstanding demand of our Bengal people that the Minister must grant working capital to the Bengal Potteries so that the company can continue its functioning. If you are going to close down these units, then the Government will lose Rs. 60 crores. But if you are going to continue its functioning, then the Government would have to invest only Rs. 15 crores. So what will be acceptable to you; Rs. 15 crores investment or Rs. 60 crores loss? Whatever positive measures you have to take, please take immediately, so that the workers can be saved.

Regarding the Metal Box Company, it is also closed down about five months back because the management has stated that the workers have to obey the orders of the management and they have to manage with 25% wage cut and then only the management will allow this company to continue to function and the company is sick also. The Metal Box Company has already registered its name in the BFIR. I would request you to please see this matter seriously and give instructions to BFIR that this company should get the working capital; this company should be revived and don't close down these units.

Why I am telling this is because I know that in my State 52 lakh educated unemployed youths are registered. I don't know what is the number of the uneducated youths. I don't know what is their number in the unorganised sector. Unemployment is a chronic problem of our country. That is why you should see the matter seriously otherwise those who are working now will be unemployed also.

Regarding new industries, while Shri B.C. Roy was the Chief Minister of West Bengal he did a lot for West Bengal. In his regime we got Durgapur, Chittaranjan Locomotives and so many other schemes and projects. But in the regime of Shri Jyoti Basu we did not get anything...*(Interruptions)*...I don't want to say that the Central

Government is discriminating. I don't know whether my State Government is efficient or not; people will judge.

Regarding Haldia Petrochemicals, I would like to draw your attention to what you have stated in this august House. You have stated that you have cleared this project. But at the same time the Finance Minister makes a statement publicly in the Paper that it is not cleared from the Finance Ministry. Please clarify the position. Actually what is the position of the Haldia Petrochemicals? Because we badly need this company for the economic development of our State and for solving the unemployment problem also.

I would request you to please give some special attention for Bengal to set up some new small industries, agro based industries, electronic industries and other industries also. Please give some more importance to women entrepreneur. It is high time when we are going into the 21st century and so I request you to encourage the unemployed youth as entrepreneurs and also to encourage women as entrepreneurs because women are more efficient, more sincere and more dedicated. I think they can do something for the country and for the State.

MR. CHAIRMAN : Please conclude.

KUMARI MAMATA BANERJEE : I don't want to discuss any other thing because the Chairman has been kind enough to give this much time.

I would request you lastly to call one meeting of the Bengal MPs and clarify the position of Haldia Petrochemicals, Bengal Potteries, Steel and Allied Products Ltd., Machinery and Manufacturers Corporation, MMC and Metal Box Company.

SHRI BASUDEB ACHARIA (Bankura) : The industrial situation in our country is really alarming and the picture is bleak.

SHRI J. VENGALA RAO : In this respect both the Congress MPs and the CPM MPs are the same !

SHRI BASUDEB ACHARIA : We are on the same wave length. It is because of the closure and the sickness of a large number of units. The figure of sick and closed units in the year 1980 was 24550. Now it

has been increased to 1,47,440. And the amount outstanding in those sick and closed units, which, in the year 1980 was Rs. 1,808.66 crores increased in December 1986 to Rs. 4,874.40 crores. Such is the situation. It is because of the wrong policy of the Government. And it is because the Government have adopted a policy of import liberalisation. The Import-Export Policy which was announced this year will further liberalise this import of various articles from the foreign countries. And because of this liberal import policy, even the articles which are produced in our factories, in our manufacturing units, they are now being allowed to be imported and because of this import liberalisation, because we have opened our doors and because of the open door policy of the Government, most of the units which were viable have become sick and most of them have been closed down and lots of workers who have been working for years together have become unemployed together with crores of unemployed youth.

There is a need for change in the policy of the Government. Unless the policy of the Government is changed, the industry cannot be saved from this sickness or closure.

The next important point is that we are not only importing various articles but we are also importing the technology. It has been stated in the Report of the Department of Industrial Development, in connection with the Technology Policy :

“It is a matter of gratification that over the years a diversified and sophisticated industrial base has been built up in the country along with technological skills and capabilities. The requirements of the industrial field are now vastly different from those in the early stages of industrialisation. The Government's basic policy towards import of technology is aimed at reducing unnecessary dependence on external resources and achieving self-reliance through optimum utilisation of indigenous resources”.

This is not being done. We are importing technology. But we are not developing our indigenous technology. We are only developing our screw-driver technology.

We are only assimilating. Assimilation is being done, of assembling various parts which are being imported is only being done in our country. This is not the self-reliance. This is not the development of indigenous technology. We are more and more depending on foreign technology and this import of foreign technology has been further liberalised.

Then the question of foreign investment. The Prime Minister recently has stated that the foreign investment would be increased in recent years for wholly export-oriented units. Even 100 per cent foreign equity can be considered. This is also a serious matter that we are now allowing export-oriented units even upto a hundred per cent....

SHRI J. VENGAL RAO : This hundred per cent is for export-oriented units.

SHRI BASUDEB ACHARIA : “... export-oriented units of foreign equity can be considered.....” I am concerned with foreign equity.

SHRI MURLI DEORA (Bombay South) : In China they are allowing now.

SHRI BASUDEB ACHARIA : Do not compare with China.

Then, dispersal of industries was also discussed here. Shri Bhattam Srirama Murty referred to incentives and subsidy for industrialisation of backward areas. There was a Committee on dispersal of industries and there were various suggestions regarding dispersal of industries, particularly in the backward regions, in the backward districts. I do not know what action has been taken on this Report. This is a very important Report. There are important recommendations made by this Committee on dispersal of industries. This incentive scheme or subsidy scheme was started in the year 1983. This scheme was for five years and this period expired, I think, in December, 1987.....

SHRI J. VENGAL RAO : On 31st March 1988.

SHRI BASUDEB ACHARIA : Allright, on 31st March, 1988. But it has not been extended—as if those industrially backward

[Shri Basudeb Acharia]

districts have now become industrially forward and that is why it has not been extended. But the fact is that....

SHRI J. VENGAL RAO : Only on 31st March 1988 it expired. We are thinking of alternative scheme.

SHRI BASUDEB ACHARIA : You are thinking of growth centre, but this will not be a proper scheme and this will not help to industrialise backward areas. My proposal is that this incentive scheme which was in existence for five years should be continued till those backward districts—may be Category 'A' or Category 'B' or Category 'C'—become industrially forward.

SHRI J. VENGAL RAO : Under this scheme also, 75 per cent of the benefit went to the rich people and only 25 per cent went to the poor people. Big business people got the benefit or profit out of this scheme to the extent of 75 per cent.

SHRI BASUDEB ACHARIA : That is why you have to review.

SHRI J. VENGAL RAO : We are thinking of alternative scheme.

SHRI BASUDEB ACHARIA : You extend it or you review it so that small entrepreneurs, and not people like Shri Murli Deora, get the benefit from the scheme.

Also the concept of no-industry district should be changed. Whenever there is only a small industry, it becomes 'B' category or a backward district. This concept of no-industry district should be changed. We should even think of no-industry block; from district we should come down to block, no-industry block, so that the block can be industrialised.

Now I come to the condition of taken-over units or nationalised units. Nationalisation is not the only solution. Unless you provide working capital, unless you try to make those units viable, unless you strengthen the management, how can those nationalised units become viable ?

15.00 hrs.

[SHRI SHARAD DIGHE *in the Chair*]

Sir, as regards the case of Cycle Corporation of India while replying today to my supplementary the Minister said that the Cycle Corporation of India of West Bengal and Bombay are losing. Why are they losing ? Is it because of the workers ? There was some agreement between trade union representatives of Cycle Corporation of India and the management. The workers agreed to produce 1500 cycles per day. That was the agreement but when the agreement was finalised the raw-material which was to be provided and the working capital which was to be provided was not given. Now you are blaming the workers that four workers are manufacturing one cycle per day. How workers can manufacture if there is no raw-material and you do not provide money. This year you have provided only Rs. 4 crores. Last year the amount was Rs. 3.5 crores. How this unit can become viable unless you provide necessary working capital and unless there is a proposal to make these units viable.

Then there is a question of Burn Standard. This unit earned profit. It bagged orders from ONGC for construction of off-shore platforms and earned Rs. 7 crores in a year. This unit got orders worth Rs. 100 crores. This is one of the subsidiary of Bhat Bhari Udyog Nigam Limited formed two years ago. I do not know what was the purpose of forming of this holding company. Has the purpose been achieved or not ? It was to coordinate between different subsidiaries.

Now take the case of Bharat Process and Mechanical Engineers Limited. Recently the Minister has written a letter to a member of the other House, Shri Gurudas Dasgupta. I quote :

“Bharat Bhari Udyog Nigam Limited is in a formative stage. All efforts are being made to formulate action plans to revitalise the subsidiaries of BBUNL. Subsidiaries of BBUNL have been paying dues of their employees. BBUNL has already taken up action to organise a suitable infrastructure to coordinate and monitor the action plans of the different subsidiary companies.”

Now there is a move to close down this Bharat Process and Mechanical Engineers

Limited. He has written letters to the members that this is in a formative stage. They are trying to make these units viable whereas the Chairman-cum-Managing Director, Shri S.R. Chowdhary is trying to close down one of the subsidiary unit of BBUNL.

As regards Engineers Projects of India Limited yesterday he said that it has been decided to close down this company but if it is closed down then retrenchment compensation has to be paid and the amount is likely to be Rs. 92 crores. If you provide a much less amount than Rs. 92 crores then this company can become viable. The workshops are being sub-let to other private contractors. The management has not been strengthened. How can you expect the nationalised units to become viable unless there is a good and efficient management? Unless you provide money and working capital, how can you expect that these units will become viable?

Sir, ACC-Vickers-Babcock is a very important and prestigious unit of West Bengal and Karnataka. But I am surprised to note that the Government of India took 18 months to take the decision. Just see, how the Government is functioning. Most non-functioning Government, Sheilaji. To take this simple decision, the Government of India took 18 months.

SHRI SOMNATH CHATTERJEE (Bolpur) : They had no time. (*Interruptions*)

SHRI J. VENGAL RAO : Shri Somnath Chatterjee is an eminent lawyer. It is a liquidation case in the Bombay High Court. Now, we take a favourable decision. Instead of congratulating the Ministry, you are criticising.

SHRI SOMNATH CHATTERJEE : We congratulate you for your delayed action. Thank you very much for something.

SHRI J. VENGAL RAO : You are a lawyer.

SHRI BASUDEB ACHARIA : Our target of electricity production is 22,000 MW. We are in need of boilers because we will have to construct new thermal and hydel-power projects. Some are being constructed. But these thermal power pro-

jects are now being delayed. How will we produce 22,000 MW of electricity? Shri Eduardo Faleiro told us that unless there is infrastructure, how can we provide money for industrialisation? When we raised the question of regional imbalance, when we raised the question of credit and deposit ratio, when we raised the question of finance by public financial instructions, then, we were told that unless there is infrastructure, we cannot provide money for industrialisation. Unless there is electricity, unless there are railways and such other infrastructural facilities, there cannot be any industrialisation. So, Sir, because of inaction on the part of the Central Government, which took 18⁶ months to take a decision to reopen the boiler-making units of our country, all power projects have been delayed.

Then, you know the workers of HEC went on strike during the last year. Then there was an agreement that the workers should be paid at par with other public sector workers when their wage agreement will be finalised. Interim relief was announced. In spite of this agreement, the workers of HEC were not paid the interim relief.

SHRI SOMNATH CHATTERJEE : I had to obtain court orders against it in the case of Burn Co., MAMC, etc.

SHRI BASUDEB ACHARIA : Now I come to the problem of contract workers in the HEC. They have been working on a perennial nature of job for about 10-15 years. They are not being absorbed.

The Bengal Potteries was taken over 11 years back. There was a proposal for nationalisation. A series of meetings were held. Several times, we met Shri N.D. Tiwari, Shri Vengal Rao and other Industry Ministers. When Shri Virendra Patil was the Industry Minister, we also met the trade union leaders and MLAS.

SHRI J. VENGAL RAO : When?

SHRI BASUDEB ACHARIA : Yesterday we met him. Twenty times I met you in connection with this. So, Bengal Potteries was taken over. It is a very good unit taken over 11 years back. There was a proposal of nationalisation. Tata Consultancy was engaged. They

[Shri Basudeb Acharia]

submitted a report and their report is if the Government invests Rs. 12 crores, only then this unit can become viable and even the workers agreed to retrenchment. Workers do not agree to retrenchment but in case of Bengal Potteries, all unions from INTUC to CITU agreed to retrenchment of workers. In spite of that, the proposal of nationalisation—not to speak of nationalisation, but the unit was denotified by the Cabinet. Mr. Vengal Rao failed to convince the Committee. He has assured that he would again try and Mr. Somnath Chatterjee is fighting there in the Calcutta High Court.

SHRI J. VENGAL RAO : I will take his advice also.

SHRI BASUDEB ACHARIA : Now, for several years, not a single paise was spent to make these units viable, for diversification of the units, only salary of the workers was paid.

Then comes the Haldia Petrochemicals. He told that a letter of Indent was issued and nothing to do.

SHRI J. VENGAL RAO : Not now. 11 years back.

SHRI SOMNATH CHATTERJEE : That was by Bahuguna.

SHRI BASUDEB ACHARIA : But the Finance Ministry have not cleared the viability report and unless the viability report is submitted, how can the Government of West Bengal or the Company apply for industrial licence? Former Chairman of the IPCL, Mr. Ganguli's report is that the Haldia Petrochemical unit will be viable. Here it has been stated in the Report that 'The project will be implemented by M/s Haldia Petrochemicals Ltd., in joint sector with the partnership of West Bengal Government. Industrial Development Corporation to manufacture one lakh tonnes per annum ethylene and other products'. The estimated capital cost of the complex is Rs. 1400 crores. Nothing has been stated regarding the issuance of industrial licence and the viability. So, I urge upon the Minister that he should take personal interest because not only the MPs from West Bengal, but the MPs from Bihar, Orissa and from north-eastern states have asked the

Prime Minister jointly to issue the clearance immediately for Haldia Petrochemicals. The issuance of industrial licence and Letter of Indent are being delayed. So, the suggestion is that there should be one window policy.

SHRI J. VENGAL RAO : I am assuring you, previously he could remark like that. Now, as far as possible within 45 days, we are clearing letter of indent application, whether rejection or sanction.

SHRI SOMNATH CHATTERJEE : How can you think of rejection?

SHRI J. VENGAL RAO ; When there is no substantive information, when there is no need to give licence, we reject it.

SHRI SOMNATH CHATTERJEE : Don't say that. (*Interruptions*)

SHRI BASUDEB ACHARIA : Now, coming to the Petrochemicals department a new drug policy was announced. This was never discussed here and because of this new drug policy the prices of essential drugs have been increased from 20 per cent to 40 per cent. Now, the multinational drug manufacturing companies will have free hand to manufacture drugs. The drugs price equalisation fund has been done away with. All this has been done to serve the interest of the multinational drug manufacturing companies. So, this drug policy should be reviewed.

The most important point is the compensation to the victims of Bhopal gas tragedy. Not a single paise has been paid to them. Very recently the District Judge of the Bhopal District in Court had pronounced a judgement, *i.e.* the interim relief of Rs. 250 crores should be paid to the victims of the Bhopal disaster. I do not know what action Government has taken to pay the compensation, to get the money from the giant multinational company, Union Carbide Ltd. Also, Sir, the liability has been established. It is said that they are liable and they will have to pay the compensation. So, it is better if it is taken up immediately.

Selling of Scooter India Ltd. was discussed here. The Government has

decided to sell this Scooter India Ltd., but the Public Sector Officers' Association have formed a Committee with the former Secretary of Industry and other experts. We have also jointly...

SHRI J. VENGAL RAO : We do not have any objection if they come forward.

SHRI BASUDEB ACHARIA : But you will have to give them the financial assistance, so that they can visit the plant and study the situation. That assistance is required. You are extending that assistance.

Then, Sir, much has been said about the public sector undertaking. Not only the Industry Minister but the Prime Minister himself has said that a White Paper will be brought on the public sector. One year back when I raised this issue, the Prime Minister in this very House had assured that this White Paper on public sector will be published and placed before the House, and that the Members will get an opportunity to participate in the discussion on the White Paper. So, I urge and demand that this White Paper on Public Sector should be published and placed on the Table of the House so that we can discuss about it in this very Session.

We have to save the small, medium and large industry as a large number of these industries are either sick or closed. The sickness has been thrust upon these industries because of the import liberalisation policy of the Government. Unless this policy is changed, you will not be able to save the industries from closure and sickness.

SHRI T. BASHEER (Chirayinkil) : Sir, I take this opportunity to put before you certain problems which my State—Kerala—is facing.

SHRI J. VENGAL RAO : So you are talking only about Kerala and not about the whole country.

SHRI T. BASHEER : I draw the attention of the House and the hon. Minister on the general matters only.

My colleagues have said so many things and I do not want to repeat those things.

So, I will confine my remarks to certain problems which my State is facing.

You had visited Kerala, last year. You know the problems of my small and beautiful State. The unemployment problem in my State is very acute. Kerala is an industrially backward State. I take this opportunity to urge upon the Government to formulate more schemes or projects for Kerala State and to have more Central investments in the industrial sector of Kerala.

I am sorry to say that over the last two years, the Central investment in the industrial sector in Kerala has been on a decline. I have got some statistics regarding this. These are based on some studies made by the State Planning Boards.

In 1973-74, the Central Investment in the Industrial Sector in Kerala was 3.28 per cent. In 1980-81, it came down to 2.27 per cent. In 1983-84, it had further declined to 1.84 per cent. And in 1984-85, it was 1.76 per cent. So, from these figures, you can very well see that the Central investment in the industrial sector in Kerala State is on a decline.

In 1984, the Central investment in the industrial sector in all the States totalled to Rs. 38,848 crores. In 1985, this amount went upto Rs. 47,323 crores. So, it was an increase of 21.82 per cent.

My point is that Kerala was not benefited by this overall increase or the total increase of the Central investment. On the other hand, many other States have been benefited. I am happy the other States have got the benefit. I have no objection that the other States have got more. My point is that Kerala is not getting adequate share.

Sir, the total investment in Kerala upto this year is only Rs. 831 crores. This is much less, compared with what other States got. I have no objection to other States getting more, but we should get more, and the Central investment in the industrial sector in Kerala should be much more, especially taking into consideration the problems of Kerala.

[Shri T. Basheer]

You know the problems well. In Kerala, the number of educated unemployed stands at a staggering figure of 30 lakhs, the highest in the country. There is no railway industry in Kerala. There was a proposal from the State Government that the Central Government should come forward to establish it there.

SHRI J. VENGAL RAO : Coach factory is not my subject.

SHRI T. BASHEER : I am speaking about the industrialization of the State. Of course, there is no Defence industry also in Kerala. I am speaking about the industrial backwardness of the State.

SHRI S. JAIPAL REDDY (Mahbubnagar) : Government has decided against the public sector. So, you are crying in the wilderness.

SHRI T. BASHEER : There is another factor. Over three lakh Keralites have gone to the Gulf countries this year. They earn a lot of foreign exchange for this country, by their hard work in the Gulf countries. My estimate is that remittances from these workers to our country form almost 35% of the total Indian savings received from abroad.

Now the Gulf boom is over. I made this point during my speech on the Budget. But I have to elaborate a little on it. Now the Gulf boom is over. A large number of Keralites, the biggest segment of workers in the Gulf countries, have had to pack up and return home. This exodus has started, and this will have serious repercussions on the economy of the small State of Kerala.

The unemployment in Kerala is acute. So, a large scale influx from the Gulf will add to our unemployment problem. This is also an important factor which Government should keep in mind while considering the industrialization of our State.

Another point: you have visited our traditional industries such as coir, handlooms and the cashew. The traditional industries in Kerala are in doldrums. Lakhs of people are earning their livelihood from these traditional industries. So, I request that Government should come forward to revitalize these traditional industries.

In 1986, Government of Kerala had presented a proposal captioned 'Rehabilitation/Modernization Fund for Kerala for revitalizing the Coir Industry'. We are very thankful to the Prime Minister that during his visit there in 1987, he had announced a package of programmes designed to rehabilitate that industry. The coir industry is very important; so are handlooms, so far as Kerala is concerned. I am not going into the details of those things now.

I also want to say something about the problem of shifting of these industries to the neighbouring States, coil industry and the handloom industry because the minimum wage is very very low in those neighbouring States. After 40 years of independence, we have not even succeeded in formulating a national minimum wage policy. But, at least, the government must come forward with a regional minimum wage policy. This will be one of the requirements to protect the industrial interest of Kerala which is not there. That is why these industries are migrating to the neighbouring States.

Again I would request the hon. Minister, who knows Kerala very well, the problems of the State very well, because he personally visited there, to pay more attention to Kerala in the remaining years of the Seventh Five Year Plan. I hope the government will pay more attention to the State of Kerala.

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

MR. CHAIRMAN : Shri Jagdish Awasthi.

SHRI S. JAIPAL REDDY : We have received a supplementary List of Business stating that the Report on Bofors' Contract will be tabled in the House today. At what time it will be tabled? Have we to wait indefinitely?

MR. CHAIRMAN : Just before the House rises for the day. It will be presented just before the House adjourns for the day.

PROF. MADHU DANDAVATE (Rajapur) : Let the Paliamentary Affairs Minister tell us the time. It is a very

important document. We would like to raise certain points.

SHRI S. JAIPAL REDDY : Why do you want members to keep waiting with their bated breath for this great Report? What is the purpose?

PROF. MADHU DANDAVATE : Apart from that, Mr. Chairman, certain procedural points will have to be raised at the time of presentation of the Report and many of us would like to be present in the House. So, let the Parliamentary Affairs Minister tell us at what time the Report is coming?

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRIMATI SHEILA DIKSHIT) : Before the House rises for the day. You know, we have got a guillotine to be applied today. Then we have got to present a....

PROF. MADHU DANDAVATE : Is it part of the guillotine?

SHRIMATI SHEILA DIKSHIT : No.

PROF. MADHU DANDAVATE : I won't support that.

SHRIMATI SHEILA DIKSHIT : No, no, it is not part of that. You may want to support it; that is a different matter; but it is not part of that. It will be presented before the House rises for the day and that will be near about 6 O'clock, just before 6 P.M.

[Translation]

SHRI JAGDISH AWASTHI (Bilhaur) : Mr. Chairman, Sir, I rise to support the Demands for Grants in respect of the Ministry of Industry.

In addition to agriculture, it is all the more necessary to develop industries in rural areas, so that the problem of unemployment afflicting these areas, could be solved to some extent. We find that small scale village industries have not developed as much as they ought to have been. Particularly, there is no such progress in Uttar Pradesh, the largest State of the country having 57 districts. Out of these 57 districts, 52

districts are very backward and out of these 52, 11 districts have been declared 'no-industry districts' by the Government. Even now, no industry is developing in these districts. There are Programmes with the Government to set up industries in these districts and necessary facilities have been provided for this purpose. But they are not getting full benefits of all these schemes. Of the 11 districts declared 'no-industry districts' in Uttar Pradesh, Kanpur Dehat is one such district. The small industrialist have not been able to avail and make proper use of the facilities extend by the Government to these 'no industry districts'. The 'no-industry districts' should be provided with Communication, power and other such facilities so that the industrialists could set up industries there. Only then the industries can be set up there. But the State Governments are not providing necessary facilities to them as a result of which the industries are not coming up in 'no-industry districts' at the expected pace. Out of 95 'no-industry districts' all over the country, 11 are in Uttar Pradesh alone. Therefore, it is essential that a survey of all these districts should be conducted to find out as to what facilities are lacking there for industrialisation.

In addition to it I would like to submit that various industries are set up in rural areas. but local people are not given job in them. Generally it is said that they are unskilled people and that is why industrialists do not employ them in their industries. Such attitude leads to unemployment among the rural youth. With a view to provide employment to the rural youth I would request you to bring forward a legislation fixing percentage of the local people to be employed in the industry set up in 'no-industry district'. In addition to that more and more Industrial Training Institutes should be opened in no-industry districts so that local youth could be trained there and provided with work. Last year also I pointed out that Kanpur Dehat is a 'no-industry district' as a result of which a large number of people are unemployed there. Therefore, these youths should get job. Our Hon. Prime Minister has also given a slogan of 'Bekari'hatao' in Madras Congress session. Under this slogan, it is necessary to conduct a survey of no-industry districts to find out

[Shri Jagdish Awasthi]

as to how many unemployed people are there and how they can be provided with jobs.

Generally the industrial units are opened in metropolitan cities and our industrialists want to set up more industries in cities only. If you want to check the growing population of big cities and the migration of rural people to urban areas, you should issue new licences only in the rural areas and not in the urban areas.

In no-industry districts, big industries should be set up in the Public sector so that people could get employment there. I would also like to request the Government to set up cottage industries in every development Block through Khadi and Gramodyog Board of different States so that local people may get employment there. These Boards should initiate their programmes at Block level instead of district level so as to create avenues of employment for the local people.

Another thing which I would like to submit is that due to inefficient management, all industrial units in Public sector are running in loss whereas their counter part industries in private sector are earning profits. There are so many NTC mills in the metropolitan city of Kanpur but they are all running in loss. Industrial units in private sector earn profit whereas in public sector they incur losses. Therefore, it is essential to enquire into the matter as to why public sector is not earning profit.

In rural areas, land is acquired for setting up new industries but the farmers do not get adequate compensation in time. The acquisition of fertile land for setting up industries spread resentment among the farmers. Therefore I would request the Government that agricultural land should not be acquired for this purpose and if it is acquired, adequate compensation should be paid to the farmers. Generally it is seen that agricultural land is acquired in the name of industry but adequate compensation is not paid to the farmers in time. We want that the Central Government should look into it and ensure that only waste and infertile land and not the agricultural land is acquired for setting up industries and

adequate compensation is paid to the farmers in time.

Once again I welcome the Demands for Grants.

[English]

SHRI THAMPAN THOMAS (Mavelikara): Sir, the hon. Minister may be a little happy on the performance of the Industry because there is an increase of production and 7.2 per cent in industrial growth. But, I would like to say that it is a short term increase. The over all picture of the industrial sector is not one with which we can be complacent. Of course, the industrial relations was good; mandays lost on account of strike was less; and the workers have cooperated on the whole in the industrial sector.

I would like to say that the major shift that the present Government had made in the Industrial Policy is going to affect the nation in the long run. In the years to come, we will have to cry over what is happening now.

Panditji and other leaders of the Nation lead the nation with the socialist perspective and it has now been shifted to a capitalist oriented privatisation in the industrial spectrum. Sir, even at present, if you look into the facts, the industrial spectrum gives you a picture, where a lot is contributed by public sector. I hear a lot of criticisms from my friends in the treasury benches, always attacking the workers in the public sector and the public sector management. Even the Prime Minister announced in Madras that we cannot afford socialism since the public sector is incurring a lot of expenditure and it has to be built up. (Interruptions)

It has come in the press. (Interruptions)

Then, he corrected it in Bombay because it will go against the constitutional position. (Interruptions)

Now it is the other way round. That was referred to him, not today.

About two months back, when he visited Madras, he said: 'India cannot afford socialism', that was the very word he used. It came in all the papers. Now, he said 'Bekari hatao'. In Bombay, he said

some other thing. One thing I would like to say Sir, the shift that is made for privatisation and also for importing technology from abroad at the cost of development of the indigenous technology will pledge our country to the foreign countries for one hundred years more. It will take minimum one hundred years for us to revive from this present situation. There is no doubt about it, because the Government is forgetting about what is happening today, in fact on statistics also. The public sector has earned a profit of Rs. 2,000 crores and the total turnover went to the tune of Rs. 69,000 crores. The Central Public Sector Industries alone appointed twenty three lakhs of people. Major employment provided is in the public sector, whereas in the private sector, the employment has dwindled. The Government is giving a free hand to the foreign multi-nationals to come over to India and make this country as a grazing land for them. (*Interruptions*)

SHRI P.R. KUMARAMANGALAM (Salem) : Grazing or grazing.

SHRI THAMPAN THOMAS : Grazing land. Free market is here; people are here; resources are here; everybody is invited, including Italians, to come over here to start fertilizer factory, whatever you could do, let them do and let them exploit the resources of the country and take it away to other countries. Earlier it was done by the Britishers and foreign powers, on their invasion over coming here, they managed it by ruling the country. But at present the Government is paying obeisance to such exploitation to such people, who are coming from abroad. Everywhere it is happening. Any man can come over here, start anything and take away the things from this country at the cost of the poor people of this country. If the hon. Minister is satisfied on the situation and says that he has got an increase in the industrial production to the tune of 7.2 per cent, tomorrow, I would like to tell you that the whole resources will be gone back to some other countries and then you will look back and say sorry for it.

I am proud about our small scale sector. But is there any proper plan for utilising the small scale industrial sector for

the development of industrial field in the country now? Though it is neglected, 23 per cent of the total export from this country is from small scale sector and the employment generation in the small scale sector in the last year has increased by 11 per cent, according to the Economic Survey. 18 per cent of the profit is earned by the small scale sector in India whereas the average increase of the industrial production is only 7.2 per cent. What does the Government do to cater to the small scale sector and to safeguard the items which the small scale sector produces? It is producing about 5000 items, exporting and earning income for the country. What protection, what patronage and in what manner you have safeguarded the interest of the small scale sector in this country?

My friend, Mr. Bashir, was telling about the fate of the traditional industry in our country. Do you know that in my State alone, handloom worth about Rs. 4 crores is lying waiting for export? There are so many things available in the market, but the coir products are available in the godowns of the manufacturers. There is no attempt to see that it is exported and traditional industry is safeguarded. Similarly, what you import will seriously affect the industry of Kerala. You will say that it is not within your realm; it is with some other Ministry. I would like to say that coir is with you and if at the cost of the coir industry the import policy is formulated and if at the cost of your industry, handloom industry is suffering, then you will have to safeguard this industrial sector and people involved in it. My friend, Shri Bashir, is hundred per cent correct when he says that the traditional industry in which lakhs of people find their livelihood, is having a set back.

SHRI MURLI DEORA (Bombay South) : This is what the Congress man has said.

SHRI THAMPAN THOMAS : I want to give an example. I have moved a Constitution (Amendment) Bill for right to employment. Yesterday, the Prime Minister said something about "Bekari Hatao". If you are honest and all the people support it and it is and the duty of the Government to see that the people get employment and livelihood, then are you going to take this as an official

[Shri Thampan Thomas]

Bill and do that? I know, you will not. Therefore, I say that you say one thing for the purpose of election and act in another way. You say something in the interest of the industry, but you import things and favour Italians or Americans or Multinationals or Pepsi Cola or whoever is available, Germans, Japanese and all that.

SHRI J. VENGALA RAO : It is a wild allegation. Pepsi Cola has not yet been permitted. This is an uncharitable remark on your part.

SHRI THAMPAN THOMAS : The Industrial Development and Regulation Act is there with you. You have the dedication for the workers and the country. Using his Ministry, Sir, will he use that Act to take over the units from the people who are controlling the management and throwing away the industry in a mismanagement manner, not by paying compensation to them. I do remember one Mavoor Iron and Steel in Kerala. It was taken over by Mr. A.K. Anthony, AICC General Secretary, who was the Chief Minister at that time. He brought a law. But none other than Mr. Siddhartha Shankar Ray, who is the Governor of Punjab, went to the High Court and argued against the Government and got a decision in favour of Birlas. Still that factory is closed. I am told that fourteen people have died or have committed suicide because the factory is closed. Similarly, Dalmia also have done so many...
(Interruptions).

SHRI A. CHARLES (Trivandrum) : You are an advocate and you have argued a number of cases against the interest of your party because you want money.

SHRI THAMPAN THOMAS : Sir, what I would like to impress upon the Minister is that he has got a weapon with him, that is, the Industries (Development and Regulation) Act. Will he use that weapon against the mismanagement of capitalists who are taking away the industry for their personal purposes and are throwing it away at the cost of the workers?

One more point I would like to make. The Minister should look at the management spectrum of the industries. He should see

as to how extravagantly they spend the money which they have. I have seen where the management people live. A Rs. 2000 salary managing director stays in a room which costs Rs. 2,500 per day. He will stay only in a five-star hotel. And his perquisites will be how much and at whose expenses? Will the Minister control this extravagant expenditure by the top management and the middle-level management personnel, which they are incurring at the cost of the company?

SHRI MURLI DEORA : The Government has put a ceiling on that.

SHRI THAMPAN THOMAS : No ceiling is put. It all goes under entertainment allowance. It all goes under some other head.

Sir, I have got a paper with me showing how much money is being dwindled by the Industrial Finance Corporation which finances the industries. This shows how much crores of rupees they are misusing.

SHRI J. VENGAL RAO : If there are such instances we will certainly take action. But even we, the Ministers are not eligible to stay in five-star hotels.

SHRI THAMPAN THOMAS : Exactly. The Ministers and the M.Ps. cannot stay in five-star hotels but the so-called top and middle level management personnel can spend anything from the account of the factory.

Sir, I was in China. China knows...
(Interruptions).

SHRI J. VENGAL RAO : Mr. Thomas, we can control them under the Company Law Act.

SHRI A. CHARLES : Sir, he should go to China and stay there.

SHRI THAMPAN THOMAS : Sir, this is a waste-ful expenditure incurred by the management personnel. It has to be regularised and a serious thought will have to be given to this. There should be a Vigilance Wing under the Industry Ministry to see how these people are spending at the cost of the factory. I am very much worried about the way they are swindling the money. I have got many stories like that but I do not want to go into all those.

Another thing is that the better industrial relations with the workers will have to be maintained. Only one story I will quote which I happened to experience about three days back. Mr. Rangarajan Kumaramangalam is the president of an industrial unit in Delhi. When he went to Tamil Nadu, I went to that industrial unit, only three days back. When I went there, I was surprised to see how much money those people are spending and what their industrial relations are. Because they invited me and gave me a reception during interval time, they wanted me to withdraw the recognition of that union...*(Interruptions)*

SHRI J. VENGAL RAO : Mr. Thomas you are telling that you attended that function. Why did you attend that function ?

SHRI THAMPAN THOMAS : What I am telling is that this is the way in which the entire industrial relations are maintained, the bad industrial relations which this management has with the workers. They are harping on the wrong side. The industrial peace is being destroyed. The Government should give them proper training and see that there is participation in the management by the workers. They should make it a point to see that the worker is given due recognition and dignity. He should be involved in running the establishment and should be taken into confidence. If this thing is done, we will have a good future, otherwise, I feel that we are on a retrograde path and are going back.

[*Translation*]

DR. G.S. RAJHANS (Jhanjharpur) : Mr. Chairman, Sir, I was listening to the views of my friend, Shri Thomas very attentively. I want to remind him that when Industrial Policy Resolution was passed for the first time in our country, we had high hopes that industrialisation of this country would take place on a large scale. The countries who got independence simultaneously and even those who got independence after us and were backward in many respects, have achieved greater success in the field of industrialisation than us. Some of these countries were comparatively quite smaller than us areawise, had

no manpower, no raw material, but these have achieved astonishing success in the industrial field. Japan bought raw-material from us, developed technology in their country and manufactured goods of perfect quality at such a low cost that it has captured market the world over. Japan is our neighbouring country. She is not very far away from us and she cannot be called a western country too. She did not possess resources earlier and was also badly mounded in the Second World War. I was just going through a book written by the managing director of "Soni" entitled 'Made in Japan' which is a very famous book. Some of you might have read this book. The book presents a tell-tale account of how the people of that country reconstructed their nation in spite of the fact that they were badly defeated in the second world war, 80 per cent of Japanese were facing the problem of sustenance, they found it hard to make both ends meet. So much so that women from well-to-do families ploughed the fields and cleaned utensils. People passed days without food. They reconstructed the nation. Not only reconstructed, they excelled to the extent of challenge. Japan has left far behind even America which is regarded by all as the most prosperous country of the world, both in financial as well as industrial field. Every body knows about the prevailing tension between America and Japan on this scores. This is the reason why dollar is not presently valued as much as yen. Japan imports raw material from Bihar, Bengal, Orissa, and Madhya Pradesh but we are nowhere near their prosperity. Even if we forget Japan for a while, country like Korea has accomplished miracle in this world. They too have reached dizzy heights of industrialisation. Taiwan has also caused upheaval in the industrial field. Why cannot we do that ? Here I do not want to blame any other party, I am myself responsible for it. I take most of the blame upon myself. Have we even sincerely tried to ask our conscience as to why it has happened, why are we so backward in the field of industrialisation in spite of the availability of all the resources ? When Pandit Jawaharlal Nehru thought of providing strong infrastructure for the industrialisation of this country, he did not have even an inkling that our Managers would be dishonest. Private Sector is sucking this country, there is no doubt

[Dr. G.S. Rajhans]

about it. But there are some big officers in public sector too, who have brought a bad name to the Government. It is sucking us very badly. It is sucking the whole country and we are looking like helpless spectators. We are puppets in the hands of a few people. We can do no harm to them.

16.00 hrs.

Raid was carried out at the house of the Managing Director of the Cement Corporation and rupees 60 lakhs were seized from there. What is the justification of his possessing such a huge amount? If you conduct raids at the houses of 3-4 officers of public sector units, I can say with challenge that the disclosures will be amazing for you also. They lead a luxurious life and their standard of living is far more higher than that of kings and emperors. I had said earlier also while speaking on the Budget demands and I repeat it that there is no limit on STD calls for General Managers and Managers of public sector units. The condition is that while their salary is about 5 thousand, rupees, their STD bills amount to 50 thousand, 40 thousand, 30 thousand or 20 thousand. The entire locality uses their telephones for making S.T.D. calls. How long will you continue to spend such amounts on them and how long the people of the country will continue to tolerate it? We are made fools. Public representatives are told that since this pertains to units of the public sector, please don't speak against them. But who finances the public sector? This money comes from our taxes. We pay taxes, whether or not our children get proper food. The way losses are being incurred by the public sector, has not the time come to ponder over the reasons behind it?

There was a time when units of heavy industries were flourishing in West Bengal. Those units were nationalised. As a result, one industry after the other became sick. It is correct that private sector is also to be blamed. They have been making a fool of us skillfully for 40 years after independence. They diverted the money to other industries, declared the old ones sick and left them for the Government to run. What is the government; the public is the Government. Since we have to run them and they are in

the public sector, we cannot retrench the workers. We will continue to suffer loss. Thus, we are caught in a vicious circle. We must muster courage enough to get out of this vicious circle. We will have to take a bold decision either today or tomorrow. I do not say what decision will have to be taken. Whatever be the decision, it should be a bold one. If some one has brought thousands of labourers on the road by making the unit sick, we must have courage to stone him on the road. What a pity that Dalmia Nagar Industry, which employed 40 thousand workers, was declared sick skillfully. Bread of 40 thousand families has been snatched and Government is looking like a helpless spectator. What is this all? Why can not we do anything? Why can not we put the culprit behind the bars after holding an enquiry, no matter howsoever big he may be. We will have to do it. If we do not muster courage, the unemployed force, whether it is in villages or in the cities, will not let us live in peace. We may belong to any party. You ask those people who were leading decent and comfortable lives. They are not able to afford even two square meals a day for the last 4 or 5 years. We have to take a bold decision in this matter and regardless of whethes it concerns the Dalmia industries in Dalmia Nagar, the Ashok Paper Mills or other factories in West Bengal or the various NTC Units. We will have to draw a line somewhere and such a policy has to be formulated which is in the interest of the country. We have every resource. Power generation is being accelerated so that new industries could be set up.

I want to make one more point. The Hon. Prime Minister has done laudable work. He went to Japan recently. I am citing the example of Japan again and again because it is far ahead of others in the technological field. If we are able to transfer that technology into our country, the prices of commodities will be reduced substantially, raw materials will become cheap and we shall be able to acquire very sophisticated technology. We will have surplus production of industrial and consumer goods. All that is needed is to do some rethinking in order to give it a new direction. Therefore, we should sit together and consult each other about it. It is no

use finding faults. We all have just one objective and that is the welfare of the people. It can be achieved if the people pocketing funds in the public sector are exposed and their names are published in the newspapers and they are socially boycotted. This is the sort of treatment which should be given to the dishonest employees of the Public sector also. That is all I want to say.

[English]

SHRI VIJAY N. PATIL (Erandol) : Mr. Chairman, Sir, I rise to support the Demands for Grants relating to the Ministry of Industry. I am glad that after 1985, we are able to discuss these grants in this House, in the year 1988.

Mr. Chairman, I will start with small scale industry. We all see that in the field of small scale industry, the performance is better and more and more production is taking place. The industrial growth is 11% and at the same time, sickness in the small scale industry is increasing. Almost 50% of the production in the industrial sector is taking place in the small scale industry and about one crores people are employed in this small scale industry.

The subsidy component given to the backward district is a welcome feature. But what happens is that the small scale industrial entrepreneurs are not able to get subsidy well in time. There are many loopholes and many delaying points which should be looked into. It should be seen that they get subsidy in time. Electric power supply should be given to them on priority. The payment of bills by the Government Departments is delayed, which is quite often the case, the small scale entrepreneurs will find very difficult to sustain the industry and sickness increases. The cancer of sickness is spreading so fast that almost one out of 10 small scale units are becoming sick.

Mr. Chairman, if you take the example of 1980 and compare it with last year's figures, we find that in 1980, about 409 big industrial units were sick and 23, 148 small units were sick. But in the year 1988, almost after 7 years, more than 550 big industrial units are sick and more than one lakh small

units are sick or approaching towards sickness. This is an alarming figure. Of course, the Central Government is doing whatever possible, within its means to control the sickness, to reduce the sickness by adopting various measures, by enacting a legislation in Parliament last year. But the amount of loan that is blocked, the amount of money that is blocked in these units has increased from Rs. 1800 crores to Rs. 5000 crores in 1988, within 7 years.

Mr. Chairman, Sir, the Industry Department is doing good service, by providing interest subsidy, loans for small-scale industries and encouragement to the village craftsmen through the Khadi and Village Industries Department. But many times we see that the funds allocated at the State level to the Khadi Industries Board are not fully utilised for a particular year. Some funds, some grants, lapse, by the year end. Why this happens should be looked into and the Khadi and Village Industries Boards should be made more effective so that they can function properly and villagers, specially the craftsman in the rural areas, should be benefited. It is also a very good step the Government is giving subsidy to the tune of Rs. 2 crores for starting industries in the No Industry Districts. But the amount disbursed is not very encouraging. About Rs. 17 crores are disbursed. I would like to suggest that whatever loopholes are there for giving encouragement for the establishment of small and big industries in No Industry Districts should be removed and the scheme should be implemented at a faster rate. The amount provided for self-employment scheme is Rs. 100 crores as compared to Rs. 70 crores last year. This is also a welcome feature and we expect that the migration of rural people to the cities for seeking jobs will be reduced in the coming years and people will find jobs in the rural areas.

My friend who spoke earlier Mr. Rajhans has spoken in detail about public sector undertakings. We have adopted socialist pattern of society

SHRI NARAYAN CHOUBEY (Midnapore) : It is no more a socialist pattern of society. It is a full socialist society.

SHRI VIJAY N. PATIL ; It is not socia-

[Shri Vijay N. Patil]

lism as in West Bengal. In West Bengal, the number of sick industries has grown more, because of labour unrest and many other problems. Industrial atmosphere is not good in West Bengal. We do not want that socialism. We want to go by our socialism.

MR. CHAIRMAN : Please address the Chair.

SHRI VIJAY N. PATIL : Whatever profits are shown in the public sector undertakings are the profits earned by some few undertakings like the ONGC, BHEL and others. Other public sector undertakings are not able to utilise their capacity even to the extent of 50%. That is why, we are incurring losses. We are not expecting more profits but at least the aim should be the reduction of losses every year, if the unit has already incurred losses. On the contrary, the losses are going on increasing. You take, for example, the Delhi Transport Corporation. Why special measures are not taken to reduce the losses at least? Public sector undertakings are getting lot of facilities from the Government, lot of priorities in supply of raw material, sale of finished goods to the Government and to other Departments. Then, why is this happening?

SHRI HARISH RAWAT (Almora) : At the same time, they have got their own obligation also to fulfil to the public. DTC fares are the lowest fare structure in the country.

SHRI VIJAY N. PATIL : That is correct. It should not incur losses in crores in one year.

SHRI HARISH RAWAT : You must keep that also in mind.

SHRI VIJAY N. PATIL : In our country, with vast population, we have to plan for employment of a large number of people. By 2050, it is estimated that our population may go up to 150 crores. It will be the largest populated country in the world. Hence we should start industries which employ more persons. Which are such industries? These are the electronic industries. A survey was done some years ago and it was found that if we invest one crore of rupees in Heavy Engineering Industry, we are able to employ 30 people; if we invest

the same amount in the Petro-chemical-based industries, about 300 people can be employed and if we invest the same amount of Rs. one crore for starting electronic industries, about 1300 people can be employed. Therefore, we should give more emphasis on setting up of electronic industries.

Sir, there was a proposal for starting one electronic industrial complex at Aurangabad. In recent times, in Maharashtra no new Public Sector undertaking is coming up. We are told that earlier Maharashtra has been given many a Public Sector Undertaking. Of course, it was given earlier when the employment potential in these Public Sector Undertakings was 300, 500 or 1000 which was the maximum. Therefore, I would request the hon. Minister to consider the proposal of setting up one electronic industrial complex at Aurangabad. Like automobile industry, engineering industry, something should be done to give boost to the Aviation industry also. We should have a perspective plan for the future. In future, the Aviation Department will need more and more planes. If some industrialists are coming forward to manufacture planes, especially small planes, the Department of Industry should plan in this regard. Also, I would like to suggest that for alternate sources of energy, there are some units which have started manufacturing wind mills and photovoltaic cells and also other components which go in for the production of alternate sources of energy. For such industries which are manufacturing components for this alternate sources of energy, we should give more subsidy so that in the long run it will be beneficial to the Government and beneficial to the public at large.

With these words, I thank you for giving me this time and I support the Demands for Grants of the Ministry of Industry.

SHRI NARAYAN CHOUBEY (Midnapore) : Sir, I have got only a few points to make because the time at my disposal is very less. A new slogan has been coined in Madras i.e. *Bekari Hatao* along with *Garibi Hatao*. You also know very well because you were very much present there. It is an election gimmick. The slogan is very good. But with 1,50,000 industrial units in India having been closed in which a sum of

Rs. 5000 crores is being blocked, at a time to give the slogan of *Garibi Hatao* and *Bekari Hatao* closing further factories everyday, I find it is meaningless. I want the Government to answer my question. Have you changed your Industrial Policy Resolution of 1956? You are always claiming that the Public Sector much reach the commanding heights etc. But actually you dilute the Public Sector everyday, every minute. What is the fate of this 1956 Industrial Policy Resolution? What do you want to do with that? It is completely gone. Actually, you are helping privatisation and handing over even the Public Sector units to private monopoly houses, as you have recently done in Lucknow in the case of Scooters India Limited. It is such a big factory which could have been put on the proper rails. But you have handed it over to Bajaj. Bajaj is a friend of whom? You know pretty well about it. Naturally, it is a very wrong policy which will take our country not to advancement but it will retard our progress. Our Policy-makers of 1956 did not take into account the prevailing fact into account. At that time, they did not take into account as to how to advance such a poor and backward country of ours. Of course, the world has changed and the technology has also changed. We have to absorb new technologies and there is no doubt about it. But at the same time when such a big and vast country has the largest number of unemployed in the world, that condition has to be looked into. If the Industrial Policy Resolution does not take that into consideration and if the Government thinks only of the elections—that is why they have coined the slogan of '*Bekari Hatao*'—that will not help this poor country of ours.

Yesterday we had met the hon. Minister for the reopening of Bengal Potteries. You will be astounded to know that to open and run a factory you require Rs. 12 crores and for closing the factory you require Rs. 60 crores. Rs. 60 crores have to be paid as compensation and everything else to about 4000 workers, but if we can get Rs. 12 crores, we can run the factory. This is the version of the Department of Industry. I do not know how the Government functions. The Department of Industry is in favour of having the factory reopened and the production started, but the Cabinet Sub-Committee

or this Committee or that Committee is for closing it down. I fail to understand as to what is going on here. I will enjoin upon the Government to see that the Bengal Potteries is reopened and the production started.

Regarding petro-chemicals in Haldia, many things have been stated—sometimes this and sometimes that. This does not help West Bengal or the Government of India or this country. This country needs the petro-chemical factory at Haldia. I would against request the Government to come to the aid of this industry and see that it is started.

Regarding industries in backward areas, the Government is in difficulty. I can understand their difficulty. It is not easy to start an industry wherever you desire. Industries have their own laws of motion. But for a poor country like ours, developing industries in backward areas is a must. For that, all help should be given. When you give the industrialists some help, you should at the same time see that certain checks are made so that he cannot play with the money placed at his disposal from the Government or from the bank and also cannot play foul with the workers. This is not being looked after. What is happening is this. We give injection to a cow to draw milk from it; and the cow which can normally live for ten or twelve years and give milk exhausts its full strength within five years; thereafter it is sent to the slaughter house. Similarly, the industrialists are opening factories in backward areas with the only aim of getting the concessions. The industrialist will have a factory opened in a backward area, he will equip the factory for three or four or five years and then have it closed down; it will be declared sick. Then the industrialist will go to another backward area to have a factory opened there and will get money again from the Government. In such a way, about Rs. 5000 crores have been blocked by these gentlemen and Government is not doing anything. Just now you heard the story, what is happening in Bihar, how industries have been closed down and how the workers are starving. Our State is also facing the same situation.

Jute does not come under this Ministry; it comes under the Ministry of Textiles. Still

[Shri Narayan Chobey]

I would say that in the entire eastern part of India, including West Bengal, the jute mills are facing a serious crisis. Although the Prime Minister has declared that something will be done, money will be offered, still nothing has been done. Thousands and thousands of workers are unemployed and are starving; they are leaving their places, their hearth and home. Under the Government of India there are three or four firms which are used for construction. Bridge and Roof is a firm which is used for undertaking construction; it is a firm under the Government of India, under the Department of Industry. This firm has been closed down; the workers have been sitting here for months together, near the office of the Department of Industry. And our Minister Shri Vengal Rao, I think, is not anti-labour. But then there are certain officers and bureaucrats who are sitting there and they have got nothing to say for the workers. I will enjoin upon the Ministry and the Minister to see that the problems of bridge and roof workers are solved and they go back to employment.

Similarly, NTPC workers are on dharna for more than seven months at Nehru Place. There are NBCC workers. There are so many types of workers from different construction companies in the Government of India under different umbrellas. They have different set of rules. I would request that the Cabinet should sit and decide that all the construction companies under the Government of India come under one Ministry and not under several Ministries. There should be one set of rules when the same Government of India is their employer. It should not be that since he belongs to Industry Ministry, he has a one set of rules; since he belongs to the Energy Ministry, he has a different set of rules; since he belongs to the Urban Development Ministry, he has a different set of rules. This sort of method should come to an end and they must be brought under one umbrella. This is my humble submission to you.

The industrial scenario in this country today is really sad. We are shocked about it. What is happening is that more number of industries are being closed down than the number of industries being opened.

And even the existing industries are not working up to the capacity of one-fourth, one-tenth or even one-half. Naturally, whatever claim may be there of 'Bekari Hatao' or 'Garibi Hatao', this seems to be only imaginary or something like election gimmick. It is again only an election gimmick. If you really want to do something for this poor country, please do away with this gimmick and do something substantial. All this, you can easily do. You can easily see that Bengal Pottery opens and work starts. You can see that jute mills start work and you can see that our petro-chemical in West Bengal comes up and no delay is made.

With these words, I thank you for having given me time. I enjoin upon the Minister not to only go on doing gimmick but to do something substantial for this poor country.

16.28 hrs.

[SHRI VAKKOM PURUSHOTHMAN
in the Chair]

[Translation]

SHRIMATI PRABHAWATI GUPTA (Motihari) : Mr. Chairman, Sir, I rise to support the Demands for Grants relating to the Department of Industry presented in the House. But at the same time, I oppose the Cut Motion.

The Department of Industrial Development, Public Sector enterprises, Petrochemicals etc. come under the Ministry of Industry. The pace of industrial development picked up substantially after 1984-85 and our industrial production was also good. In 1984-85, growth rate of our industrial development was 7.6 per cent, in 1985-86 it was 7.8 per cent and in 1986-87 it increased to 9.2 per cent. At present, the growth rate is 9.1 per cent. From this, it is evident that our pace of industrial development has been quite encouraging and we have made considerable progress. I thank the Ministry of Industry for it.

When hon. Shri Chobey was speaking, he said that in the Congress session held in Madras, our Hon. Prime Minister assured the country that earlier the slogan was

'Garibi Hatao' and now onwards we shall work for removal of unemployment. We think that the Industrial Policy framed in 1956 under the direction of Jawaharlal Nehru, continues to be the core of our industrial policy and we will continue to adhere to it. We are confident that with everyone's cooperation, the Government will be able to control population growth and solve the problem of unemployment. Our Ministry has prepared a very good scheme for this purpose. The scheme is named 'Self Employment Scheme for Unemployed.' It was started in 1983 by late Shrimati Indira Gandhi and it is still in operation. Earlier Rs. 25,000 used to be given under this Scheme, but the maximum limit has now been raised to Rs. 35,000. Rs. 445 crores have been granted upto 1987 for this purpose. This is sufficient evidence of the fact that our Government under the leadership of Shri Rajiv Gandhi is determined to remove unemployment. Under the New Economic Policy framed in 1986, considerable efforts have been made to encourage small and medium industries. It will help in our efforts to remove unemployment.

Mr. Chairman, Sir, in order to achieve an Industrial Revolution in any country, certain basic things are required for it. These are : Capital, raw material, power and technical know-how. We have all these resources. I think in 1986-87, the loans sanctioned for capital investment were 20.89 per cent more and the distribution of loan was also 15.8 per cent more as compared to previous years. These figures are very encouraging and it seems that it will result in industrial growth.

In the western countries, industrial revolution took place after 1857. It changed the shape of Europe and those nations made considerable progress. However, in our country, even after 40 years of Independence, the expected changes in the field of industrialisation are not visible in all States as they should have been. There are still many such regions as Rajasthan, Orissa, Eastern Uttar Pradesh, Bihar and Northern Bihar in particular where industrial revolution has not taken place and where the Industrial Policy of 1956 could not be implemented.

Mr. Chairman, Sir, I want that the

attention of the Ministry of Industries should be drawn to these backward areas also. Madhya Pradesh is another such State where attention should be paid. Bihar is a State where we can provide industrial infrastructure. In Chota Nagpur region, minerals are available in plenty. This area has huge reserves of mineral wealth and precious stone. In Dhanbad, 70 per cent of the country's coal is produced. Mica, aluminium and iron-ore are found there. I think that by utilising these minerals, we can bring about an industrial revolution in this area, which will change the industrial map of the country. But it is unfortunate that Bihar has not been industrialised to the extent it should have been.

I want to draw your attention towards North Bihar. Mr. Chairman, Sir, it has been stated in the Report clearly that the results in the industrial sphere in 1984-85 have been quite encouraging but the picture may not be bright in future due to the drought situation. North Bihar from where I hail, is a flood prone area and these devastating floods have shattered the economy of this region. Agro-based industries can be set up in that area but until the infrastructure is created, the flood-control schemes cannot be implemented and without industrialisation, we cannot remove poverty from this region. The density of population is the maximum in this area. In view of this density, I request you to make investments there. As compared to the amount invested in the whole country, the amount invested there is negligible. The soil is very fertile there, yet the people are poverty stricken. Earlier Madhya Pradesh had the lowest per capita income, but now Bihar has the lowest. It is even lower than Nagaland. It is essential to increase it. There is only one way of doing so and it is industrialisation of Bihar. A network of cottage and village industries should be laid in the villages. Not a single Public Sector industry has been established there so far and Centre has not made any investments. The people of that area are prepared to invest but they are not given the opportunity to do so. I want to know the reason behind it. A drug unit in Muzaffarpur in the public sector is sick and it is essential to take some measures in this regard. Similarly,

[Shrimati Prabhawati Gupta]

a paper mill based on bamboo pulp and bagasse should be set up in Bettiah. The Reserve Bank had constituted a Committee in 1986 regarding the sick industries for which I want to congratulate the Government. The Committee had stated that in order to help the sick units, the commercial banks should prepare an aid package and the guidelines laid down in it should be strictly adhered to. If these guidelines are properly followed, the situation in the Rohtas Group of Industries about which Dr. G.S. Rajhans had mentioned that 40 thousand workers were rendered unemployed, can be set right. Today, one lakh people are in a troubled state and are on the verge of starvation. We must do something for them. Jamla Cement factory is another sick unit and so is Ashok Paper Mill. Similarly there are other such small and big units. I want to request that in order to salvage such units, an Industrial Restoration Board should be set up. In the same way, in Bihar 15 to 20 thousand units are closed on account of the non-availability of power. Hence as I stated earlier also, electrification is the most essential requirement for industrialisation. We have Kanti Thermal Power Station in Muzaffarpur. I want to request you that the power generated from this station should be reserved for East and West Champaran, Sitamarhi, Modhubani, Muzaffarpur etc. so that the units in that area could get proper supply of power.

It is requested that the industries located in Champaran district and in Ramakasht in Motihari district, which have since been closed, may please be nationalised in order to revive them.

It is proposed to raise the capacity of each sugar mill from 2500 tonnes to 5000 tonnes under the guiding principles for sugar mills. This is a good step. But in Champaran district, there are 9 sugar mills which are very old. Some of these mills are working and others are on the verge of closure. There is a need to modernise these mills. It may be recalled that it was in Motihari that Mahatma Gandhi started his struggle for independence. It was the centre of his activities. But today there is not a single industry in that district. I request that all the sick

industries in this district should be revived. There is a large potential for setting up of industries in this area. Sleepers could be manufactured in Remakasht. The funds being made available by the IDBI and the Small Industries Finance Corporations are being taken away by big businessmen. They take advantage of all these facilities but the people at the lower level are not able to get these benefits. It is essential to set up a medium industry in Motihari at the earliest. The sick units should be revived so that the poverty in North Bihar could be removed. If this area is to be brought on the industrial map of India, there is an urgent need to set up an agro-based industry there. Electronic industries could also be set up there, because it consumes less electricity and involves comparatively less investment. These developments will eliminate poverty and remove unemployment in the area.

I hope we will be able to eliminate poverty and remove unemployment under this system and the country will march forward on the path of industrial development.

[English]

SHRI A. CHARLES (Trivandrum) : Sir, the performance of the industrial sector during the year 1985-86 and onwards has been consistently good. During the year under report also, the industrial production, etc., has been very encouraging. This has been achieved in spite of the natural calamities, that is, unprecedented drought that the country was facing and the severe floods we were facing in other parts of the country.

There is also no shift in the basic industrial policy laid down decades back. Time and again, our hon. Prime Minister has repeated that the main thrust of our industrial performance will be on the public sector. There is also an effort for updating the technology and for the modernisation of industries.

Even though the performance has been good, I would like to draw the attention of the hon. Minister to one particular aspect. In para 1 of the Report, 1987-88, the second sentence reads :

"The Department of Industrial Development is the Central Agency for formulation and implementation of promotional and regulatory policies to ensure balanced and rapid growth of the Industrial Sector in accordance with national priorities and socio-economic objectives."

If that is accepted, I would like to draw the attention of the hon. Minister to the fact that there is a considerable regional imbalance in the location of industries, especially in the public sector. My friend, Shri Basheer, has pointed out this aspect. I do not want to dwell at length on this point. But I must say that as on 31.3.1987, the total investment of public sector in the country is reported to be Rs. 61,603 crores whereas in Kerala, the entire public sector has an investment of only about Rs. 831 crores. This is comparatively very negligible.

There are many reasons for the industrial backwardness of the State. The geographical position of Kerala is the main contributing factor, the farthest southern strip having limited market potential and also for non-availability of industrial material, thus being isolated from the industrial influence. Cost of inward and outward carriage charges for raw material and finished products, respectively, increase the cost of production substantially, thereby the ultimate selling price of industrial products of Kerala fail to compete in the markets outside Kerala. Besides, Kerala does not have any in-built capability to attract private capital inflow from outside the State. Even non-resident Indians are not being encouraged to invest their money. They are afraid of losing their hard-earned money because of lack of infrastructural facilities and due to other problems.

Another problem is the acute shortage of power. Kerala was once one of the major power generating States in India. Unfortunately, Kerala was depending solely on hydro-electric power schemes, which are based on the monsoons. As a result of consecutive monsoon failures, Kerala is now really in the dark.

Several other factors have contributed

to the industrial backwardness of the Kerala State. Unless a concerted effort is made giving some concessions to Kerala, it will be difficult to put Kerala on the industrial map of the country.

I would like to make a few suggestions which—I know—will be difficult to be implemented by the Department of Industries alone. That may require the support and concurrence of the Finance Ministry and, in certain cases, the Commerce Ministry. I would request that there should be a better coordination between these three Ministries so far as the total development of industries is concerned.

There is a centrally sponsored scheme in operation for providing transport subsidy at the rate of 75 per cent for the inward and outward carriage charges of industrial raw materials and finished goods for industries located in the north-eastern States and the State of Jammu and Kashmir, etc., treating them as industrially backward States. Sir, I would request that the same benefits be extended to the state of Kerala, for the industries located in Kerala. I have already mentioned that there is the problem of power shortage. In order to tide over the situation at least for a few years, the following concessions can be given to Kerala :

1. Full exemption of Import Duty may be allowed on high capacity diesel generating sets of captive power generation for the imported diesel generating sets above 1000 KW.
2. Subsidy at the rate of 75 per cent of value for locally procured Diesel Generating Sets of below 1000 KW for captive power generation and full exemption of Central Excise Duty thereof;
3. Full exemption of Central Excise Duty for the diesel used for captive generation purposes.

If these three concessions are given, at least temporarily to tide over the power shortage, it will go a long way in the promotion of industries in Kerala.

In regard to other encouragements, I

[Shri A. Charles]

may suggest that an additional case compensatory allowance at the rate of 10 per cent more may also be allowed for all exports items produced and exported by industries located in Kerala. An additional 'In-built flexibility content' at the rate of 10 per cent more in the Import Replenishment Licence may also be allowed for all export items produced and exported by industries located in Kerala. If depreciation allowance is allowed at the rate of 50 per cent of the value of the fixed assets, then, I am sure, the export oriented goods can be produced and it will encourage exports in Kerala also. So also the Central Sales Tax holiday for the industrial goods sold outside the State for the initial period of five years may also be considered. If these concessions could be given for a period of 5 years, then, I am sure that industries in Kerala may tend to grow in the course of five years and after that, it can stand on its own footing.

As far as the public sector investment is concerned, I understand that a policy is now being introduced for import of tyres. Kerala is one of the main States in India which produces the maximum rubber. We have requested for the change of policy and I am sure that the hon. Minister will consider it favourably. If a tyre industry is located ..

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM) : Tyre products are still in the restricted list.

SHRI A. CHARLES : As far as the tyre industry is concerned; I am speaking in regard to the tyres for trucks and buses. I request that one tyre manufacturing unit under the public sector can be given to Kerala which will solve the problem of the import of tyre and encourage the rubber growers. I would plead with the Minister to consider this as a special case for Kerala. I understand that for the private sector, there is a re-thinking of automobile policy. There are applications from Kerala for the manufacture of economy diesel passenger cars with the latest foreign technology. I, therefore, request that priority should be given to Kerala, in case the project fulfils

all the other requirements. Traditional industries in Kerala like the coir Industry, cashew, handloom industries, etc. are facing crisis. And the hon. Chairman also knows that in his constituency, the coir industry is ruined. So, unless these traditional industries are encouraged, the problem of Kerala cannot be solved. I would request the hon. Minister to consider the entire State of Kerala as a no-industry backward State and to give all the encouragement to that State so that the educated, unemployed of Kerala can get relief to a large extent.

With these words, I conclude and support the demands for grants.

[Translation]

SHRI K.J. ABBASI (Domariaganj) : Mr. Chairman, Sir, I am thankful to you for providing me an opportunity to speak on the Demands for Grants in respect of the Ministry of Industry. I support these Demands for Grants. When we gave the slogan "Berojgari Hatao", it created a stir in the Opposition Camp. They acted in the same manner earlier also when we had given the slogan 'Garibi Hatao'. Thereafter we formulated the 20 Point Programme. They come to understand later on that it was not an empty slogan. It was a successful programme and yielded benefits to the people. The slogan 'Garibi Hatao' has been given in the same situation and I am hopeful that it will be implemented.

Sir, I would like to make a suggestion in regard to implementation of this programme. Our youths run for jobs as soon as they come out of schools and colleges. We will have to divert their minds towards industry. We should see that industrial facilities are made available to them. But it is unfortunate that now-a-days the youths do not get such facilities. They do not have adequate funds to set up industries. They get tired by talking rounds of various departments and banks to get loans. In spite of that they do not get loans. Besides, they face difficulties in the midst of corruption. It is, therefore, necessary to remove these difficulties so that they could get its benefits.

Sir, one more thing is that our youths find it difficult to sell their products in the

market. We should make arrangements to provide market for the products. The most important thing is that even after setting up industries with great difficulty and by raising loans etc. the youths do not recover even the cost of their products. I therefore, suggest that the Government should make arrangements to purchase the products of all small scale industries through a Corporation. A Corporation may please be set up in the public sector which will purchase the finished products and sell them in the market. The new entrepreneurs will be largely benefited by this scheme. This will benefit those youths who set up their own industries and later on find it difficult to market the products.

A lot of discussion has taken place about the public sector and the private sector. I am one among those who favour the public sector because it has an objective—objective of taking the country forward. It is only through the public sector that we can carry our country forward. At the same time we should also look into the shortcomings of the public sector. I am going to give an account of these shortcomings, no matter if it goes against our own government. Excepting the ONGC, the Indian Oil, one or two others, the high ranking officials of public sector undertakings are not at all careful about the expenditure. They indulge in indiscriminate spending in these undertakings. We should put restrictions on this type of expenditure and achieve progress in this field.

A country, following socialistic pattern will never agree to have a private sector. It will always talk in favour of the public sector. No socialistic country can achieve progress through the private sector. It can never think of private sector. The private sector undertakes such type of work to show that it is always better than the public sector. We have to formulate stringent laws for that. Then only we can achieve progress in the public sector.

Mr. Chairman, Sir, there is not a single industry in my constituency. Five Assembly segments come under it. In terms of industries, all these five segments are zero. This area is afflicted with extreme poverty and no industry of any kind is there. I was elected to Parliament in 1980 and have been

writing since then and making demands. The problem of unemployment in the area can be solved only after an industry is set up. It is very unfortunate that there is no industry in my constituency. The backwardness of this area can be judged from the fact that there is no railway line in two Assembly segments. It is also unfortunate that there is not a single sugar mill in my area. Had efforts been made, it could have been set up at any place. Keeping in view the infrastructure available in my area, we could have set up any kind of industry as we wish. Sugarcane is grown on a large scale in my area. But the farmers have to go to Gorakhpur to sell their sugarcane. It causes inconvenience to them. I, therefore, strongly demand before you to allot one or the other industry to my area.

There is a not single small or major industry involving the weavers in our area. However, such industries are there in the district. The cloth manufactured by the weavers of my area is very good and famous also. This cloth draw a good sale in Khalilabad. But the plight of the weaver is very bad. Time and again I drew your attention towards their plight, but you did not pay any attention. The Weavers have to pay a high price for yarns, as a result of which they cannot earn profit. The Government should pay attention toward it also because these weavers have no other source of Income. Now a-days they manufacture cloth by powerlooms and hand weaving. They depend on this small income to maintain their family,

Khadi and village industry has also largely spread in my area. The people are doing a good business in this trade. They are running their small industries with the help of this trade. But due to its rules and regulations having been very strict, it spreads very slowly in rural areas. If the rules are liberalised, people can have easy access to this trade.

I do not want to take much of your time. I support the Demand for Grants in respects of the Ministry of Industry presented in the House. I once again request the hon. Minister to pay special attention to my area and set up one or the other industry there. With these words I conclude.

[English]

SHRI BHADRESWAR TANTI (Kaliabor) : While participating in the discussion on the Demands for Grants of the Ministry of Industry, I would like to mention some points. I support the demands. I would mention here that a country cannot develop without industrialisation. That is why I support this demand. But the policy which has been followed by the Government for industrialisation in the country is totally a wrong policy. It has failed in its real perspective. The Report says and I quote :

“It is a matter of gratification that over the years a diversified and sophisticated industrial base has been built up in the country along with technological skills and capabilities. The requirements of the industrial field are now vastly different from those in the early stages of industrialisation. The Government’s basic policy towards import of technology is aimed at reducing unnecessary dependence on external resources and achieving self-reliance through optimum utilisation of indigenous resources.”

“.....It is, however, recognised by the Government that it is equally necessary to update production. The import of technology is, therefore, selective and is ordinarily permitted in high technology areas, export-oriented or import-substitution manufactures.”

17.00 hrs.

The common men will not understand these things. You have eulogised things in your Report—a very good report. But who has received the benefits of, and enjoyed the taste of our freedom for the last 40 years? It is the industrialists who are sucking the blood of the poor men, it is the middle men who are enjoying it, and not poor men who are shedding their blood for building up this country.

No doubt, our industrial base has widened, but it has widened only in certain States, and not in all the States of the country. Times without number I have asked you in this House : ‘Go to Sikkim; go to Mizoram, go to Meghalaya. You will

not find a single industry, even after 40 years of independence.’ This is your policy, because these people cannot rise against you. They have failed because of their negligence may be, or many other reasons. Don’t you think it is your duty to built up, to set up certain industries there? Because you have not done it, people have lost all confidence in you.

In my State, people from different States were brought hundred years back, for being engaged in the tea industries. In Assam, about 800 tea industries are there; and out of 800 tea industries, about 350 tea industries are on the verge of closure. Many people have lost their lives for want of food and shelter because of the closure of these industries. The machinery meant to uphold the dignity of the human beings has failed to protect their life and liberty.

Industrial development is a must, but there should not be any regional imbalance, nor should there be unequal distribution of money.

In my State, oil is there; but you are extracting oil and setting up big refineries outside my State, whereas in Assam you have set up only two refineries. And these too, their capacity is much less than others which have been set up outside. In the two refineries, the total capacity is 1.25 million tonnes. That is why the people of Assam, of late, have decided to throw you out. Now they have got their own Government.

SHRI AJAY MUSHRAN (Jabalpur) : I hope you do not throw out the refineries.

SHRI BHADRESWAR TANTI : They have done this because of your wrong policies. I am coming from a place where there is no industry. In my district, there is not a single industry; and Government has a specific policy that they should encourage and set up industries in a district where there is no industry. What prevented you from setting up industries there? The hon. Minister of Industry will definitely say : ‘You now set up your own industry, because you have your own Government there.’ Yes I have my own Government, the AGP Government. But for the last 36 years, there was Congress rule in my State.

You have failed in your obligation. Then you are following an anti-labour policy. The other day you said that your Department did not deal with this matter; your Department dealt with industry, Your anti-labour policy is going on in almost all the industries—what to speak of private sector industry; It is in the private sector industry also.

In the Hindustan Paper Corporation, works have been given to a private contractor and that contractor on contract basis engages labourers; that is happening in the Cement Factory in Bokajan. The Ashok Paper Mill, and Silghat Jute Mill which are closed for a long time. But only after the installation of the AGP Government, they have started functioning. Your anti-labour policy is very alarming. The interest of workers who have been engaged on contract basis for years together is bleak. Why are you encouraging public sector industries to engage workers on contract basis through a contractor thereby violating the provision of the Constitution as well as the rules made thereunder and the laws made there ?

Labour and industry are correlated. Industry cannot survive without labour and the labour cannot survive without industry. So, you must look into it.

In Tea Estates, hundreds of labourers have been engaged on daily basis. They are being thrown out after two months, three months and year after year this practice has been going on. They are not made permanent. Women temporary labourers do not get maternity benefits. The law says that women labourers are entitled to get maternity benefits. But the management do not give them; they say that only permanent women labourers are entitled to get maternity benefits; temporary women labourers are not entitled to get maternity benefits. There is no machinery to look into it. So, their cry has become a cry in the wilderness. There is a correlation between industry and the labourers. Now, all these laws have been flouted by the industrialists both in the private sector as well as in the public sector, so far as Industrial Disputes Act is concerned, Workmen Compensation Act is concerned, Minimum Wage Act is concerned, Payment

of Bonus Act is concerned, Payment of Wages Act is concerned, Maternity Benefit Act is concerned, Contract Labour Abolition and Regulation Act is concerned, Child Labour Act is concerned, Factory Act is concerned and Plantation Labour Act is concerned. All these laws are being flouted and there is no machinery to take it up and stop their violation by the management. There is no penal provision for the management if they violate any law. Why don't you bring a law and make compulsory imprisonment for the management if they violate any of the laws ?

There is a provision for just and human conditions for workers and other relief.

MR. CHAIRMAN : These things don't come under the Ministry of Industry.

SHRI BHADRESWAR TANTI : That is why I said labour and industry are correlated. What about their living wage ? If you go into the interior places you will find a grim picture of the human life if you see the living conditions of the people there.

Article 43A of the Constitution says that the State shall take steps, by suitable legislation, or in any other way, to secure the participation of workers in the management of undertakings, establishments or other organisations engaged in any industry. But I humbly submit that the hon. Minister may look into the fact that in my State there is no iron and steel industry, there is no drug and pharmaceutical industry, there is no ordnance factory, wagon factory but, of-course, village and cottage industries are there and they should be encouraged. I request that some industries may be set up so that the many unemployed people will get some employment, and the people will have something to live, in a democratic country like ours.

[Translation]

SHRI UMAKANT MISHRA (Mirzapur) : Mr. Chairman, Sir, recently our Prime Minister, Shri Rajiv Gandhi, who is also the President of the AICC(I) gave a new slogan on the eve of the All India Congress Session at Madras that unemployment will be removed. Shrimati Indira Gandhi had given the slogan "Garibi

[Shri Umakant Mishra]

Hatao". Poverty has been eliminated to a great extent and it is declining rapidly. We welcome the slogan of removing unemployment given by Shri Rajiv Gandhi. The country welcomes it.

17.12 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

It is a very good programme and we are confident that it will remove unemployment from the country expeditiously. But how to remove unemployment? Agriculture alone cannot eliminate poverty and remove unemployment from this country. Beside agriculture, it is all the more necessary that industries are also set up on a large scale in the country. The work of industrialisation has begun. Basic industries have already been set up on a large scale and more industries are being set up now. The industrial network will have to be spread throughout the length and the breadth of the country with a view to providing jobs to educated people, technically qualified people, engineers, diploma holders and I.T.I. trained personnel. It is necessary to spread network of big industries, medium and small scale industries, village and cottage industries in every district, every block and every village in the country. There is no need to distinguish between public and private sector or joint sector or any other sector for this purpose. All sectors, whether it is public sector, private sector, co-operative sector, joint sector should be pressed into service to serve their respective areas. Poverty and unemployment can only be removed through large scale industrialization of our country.

Industrialisation of backward districts, sub-divisions or blocks is a must for the development of the country. At least two or three big industries must be set up in every district alongwith their ancillaries. Similarly, while every block should be provided with medium scale industries, a network of village industries should be spread throughout the country. I want to bring to the notice of the hon. Minister, through you, the report of Sivaraman Committee set up few years back. The committee had in its Report recommended that the sub-divisions and blocks of big districts should

be declared backward so that industrialists may get required facilities to set up industries there. A large portion of northern Mirzapur district and Varanasi district is backward having no industry, while southern area of Mirzapur is getting industrialized massively due to availability of coal and electricity there. Therefore, I would like to request for decentralization of industries. In Kanpur, Naini, Modinagar and Ahmedabad, four or five industries are allowed to be set up resulting in the centralization of industries. Industrialists should be directed to set up their industries in the particular backward blocks while issuing licenses. I demand setting up of big industries—one in Mirzapur district in the vicinity of Mirzapur city and another in Gyanpur—Bhadohi sub-divisions of Varanasi district.

In the end, I would like to point out that keeping in view the 13 crore population of Uttar Pradesh, there should be at least 14 per cent Central investment, but at present it is only 4 per cent. I demand that keeping in view the State's population and its backwardness, maximum capital investment should be made in Uttar Pradesh, particularly in the eastern region of the State.

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

SHRI MOHD. MAHFOOZ ALI KHAN (Etah) : Mr. Deputy Speaker, Sir, I thank you for providing me an opportunity to speak. I have to raise only two-three points.

I want to point out with regret that though my constituency is only 225 kilometres away from Delhi, the capital of the country, yet there is no industry there. When Shri N.D. Tiwari was the Chief Minister of the State, he had promised one spinning mill for our constituency while addressing a cabinet meeting held in 1986 at Aliganj—a town of Etah district. Now the people of constituency are asking about the promise made by him for a spinning mill there. I am an opposition Member but the Chief Minister belonging to Congress Party has not kept his promise. It is a matter of regret that the spinning mill has

not been set up so far in this backward district although announcement to this effect was made publicly. Our district is one of the most backward and criminal district of Uttar Pradesh. People are unemployed and are living in misery, there being no industry in the district. This area is very near to the country's Capital.

One thing more I would like to submit is that industries are set-up on political considerations. Industries should be established where raw materials are easily available, but in actual practice, it is not so. Tobacco and sugarcane are grown extensively in my area. No one has ever cared about my specific demand for setting up of a tobacco industry there, the main objective of which was to save the growers from exploitation by the middlemen. No industry has been set-up till now in my constituency represented by 5 M.L.As. Though railway line exists there, but it is only for name sake. Although 40 years have passed since we achieved independence, yet that area is stricken with poverty and backwardness in spite of the fact that it is only 225 kms. away from Delhi. You should pay attention to it. The Government do make promises publicly but never keeps them and as a result there is resentment among the people against the Government.

In the end, I would request the hon. Minister to set up an industry in Etah district so that unemployed persons may get employment. Since I have no more time at my disposal and it is my duty to follow the orders of the hon. Deputy Speaker, I conclude my speech.

[English]

SHRI CHARANJIT SINGH WALIA (Patiala) : Punjab, as you know, is an agricultural State and Punjab has done a lot for the agricultural production. Rather I should say that they are pioneers in bringing green revolution in the country. There is no scope for further increase in the agricultural production. Punjab needs diversification. Punjab needs an industrial base. But unfortunately, as in other fields, Punjab is being discriminated against so far as establishment of industries is concerned.

I may mention here that as compared to national contribution in manufacturing sector of about 16.33 per cent, Punjab has got only 12.06 per cent and the percentage of establishment of large scale industries in Punjab is constantly going down. In 1978-79 it was 2.20 per cent. It has gone down in 1985-86 to 1.05 per cent. In these changed circumstances I request the Government that they should revise this policy and should not discriminate against Punjab in the matters of establishment of central industrial projects. In the circumstances, Punjab which is in turmoil, there is a sad situation. Both educated and uneducated youth are without employment. To attract the industrialists and entrepreneurs for setting up industries in the State, Punjab should be declared as A class industrially backward State. Three districts of Punjab are B class and three are C class. Out of 118 blocks of the State 16 blocks have no industry at all. To create employment for the youth, Punjab should be declared as A class industrially backward State. 80 proposals for the establishment of industries are pending with the Government. I would request that petro-chemical project, electronics switching system project, video cassette recording project which are lying with the Central Government, should be cleared and permitted to be set up in Punjab.

Punjab is far away from the mineral resources. Punjab is getting 15300 wagons of soft coke against the requirement of 50,000 wagons. So far as hard coke is concerned, only 3300 wagons are given to Punjab against the requirement of 14,000 wagons. As you know, there is a shortage of pig iron and the industrial units are on the verge of being closed. So I press upon the Government not to concentrate all the projects in certain places of the country but they should be spread over whole of the country irrespective of the political affiliations of the people there.

With these words, I again urge upon the Central Government not to discriminate against Punjab and be liberal in giving industrial projects in the central sector to Punjab so that some sort of employment can be provided to the unemployed youth there. (Interruptions)

MR. DEPUTY SPEAKER : Mr. Soz, please listen to me what I am saying. Let the Minister reply and then if you have any clarifications to be sought, you can put them at the end. Otherwise we do not have sufficient time now.

PROF. SAIFUDDIN SOZ (Baramulla) : This is not correct, Sir. Actually, Sir, I am on a point of order now because all parties must get a chance...*(Interruptions)*

MR. DEPUTY SPEAKER. This is no point of order. I cannot give chance to all the parties.

PROF. SAIFUDDIN SOZ : I will make a three-minute speech. In fact when I saw Mr. Vengal Rao, I wanted to speak.

I will start—it may be a surprise to all people—by paying a tribute to Mr. Vengal Rao for one thing. We do not know each other very closely. I have never met him in his office but I will tell you what action he took on my letter which I wrote to him about the HMT unit at Srinagar. I brought to his notice that we have only one industry in the public sector, that is, the HMT unit, and that this will get closed some day because of corruption, because of fall in the production, because of fall in the productivity. I informed him that there were some charges against the management. But it goes to his credit. His style of working is that he is unassuming but I found that he took very strong action and I pay a tribute to him for that. What I came to know was that he not only sent a team to HMT unit, Srinagar, but he went and visited personally and effected some transfers, although he would not in his letter agree with me that the HMT unit, Srinagar has suffered a loss of Rs. two crores during the last two years. But he took some timely action and there is some improvement.

After this tribute, I want to bring to his notice one fact...*(Interruptions)*

AN HON. MEMBER : Now distribute.

PROF. SAIFUDDIN SOZ : Now I want to invite the attention of the Minister to the Jammu and Kashmir State—not only to Kashmir but to the entire State—that we are not on the industrial map of India. In response to my question as to what is the

percentage of investment in the Jammu and Kashmir State so far as public sector industries are concerned, the then Finance Minister had replied that we have only one unit, that is, the HMT unit, and the total investment in the HMT unit is Rs. 6.7 crores. So, this comes to 0.07 per cent. I do not say that nothing has been done in the State. There are so many sectors in which there is laudable progress. But so far as public sector industries are concerned, we have no industries. Now, let us forget about the reasons for that. Mr. Vengal Rao believes in action and when he took action, I believed most ardently in the saying that action speaks louder than words. So, I want to know whether he will remove this imbalance. We have no industry in the State. I will invite his attention to one commitment by the late Prime Minister, Shrimati Indira Gandhi, which was also supported by Rajiv Ji when he visited Jammu and Kashmir State. It was that Madam Prime Minister who had said at that time that Jammu and Kashmir is a tourist resort. Its environment should not be polluted. So, we deserve to have capital light industries which will not create pollution, say, electronics industries or other industries. Whatever industries you can establish there, I just invite your pointed attention to the Jammu and Kashmir State.

This much I have to say this time, and next time when you give me more time, I will talk about the industrial development in the State.

MR. DEPUTY SPEAKER : He is a man of action, as you said. So, he will give so many action-oriented things now.

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO) : Mr. Deputy Speaker, Sir, I am very happy that this year I got the opportunity to reply on my Demands. Last year it was guillotined. The discussion was initiated by my former colleague Mr. Srirama Murty. When I was the Chief Minister, he was in my Cabinet...*(Interruptions)*. I am informing you about our relationship. Though he is on that side, our relationship is still good.

Sir, before answering the specific points raised by the hon. Members, I must inform the Members through you, about the present

prevailing situation in the country. I am requesting the Members not to compare our country with Japan or America. Sir, about 80% of the population of our country are dependent on agricultural sector. Just now, an hon. Member has mentioned that the Prime Minister had stated in Madras that he is trying to solve the unemployment problem in our country. Unless and until we divert this major percentage of population from agricultural sector to industrial sector, we cannot solve unemployment, we cannot increase the per capita income and we cannot solve the poverty problem in our country. That is the main thrust of our Government and the Government's effort is to industrialise this country, to bring an industrial revolution in this country. Then only we can solve this problem.

You know very well that we have achieved our target on the agricultural front through Green Revolution. Now, on industry sector, it is our responsibility to bring a revolution. There are so many defects. I don't say that all our people are from heavens or angels. There are some defects.

Sir, I am very grateful to the hon. Members for the valuable suggestions they have given during the debate. I want to remind the hon. Members about one thing, especially my valued colleague, Shri Bhattam Srirama Murty. If you want to industrialise this country, if you want to establish more industries, if you want to remove imbalances in the regions, you must concentrate on the generation of power. Without power, how can you expect the development to take place? How can you expect more industries to be established? Even today power generation in the country is not sufficient to meet the installed capacity of the industries in this country. We are wasting the nation's money by investing them on these industries. I am frankly speaking because in public sector our investment is more than 70,000 crores of rupees and in private sector, so many thousands of crores of rupees are invested. Sir, in Andhra Pradesh, the position is that almost all the cement factories are closed. I am not blaming anybody for this. It is because of drought situation our hydel reservoirs have become empty and because of starvation of power, we cannot achieve industrial production. Even in spite of these difficulties, on

industrial sector, the growth is remarkable. I have got some experience as Industry Minister in the State, as Chief Minister in the State and I did my best to improve the State industrially. Now, our responsibility is not the State, but the whole country. In the whole country, I want to tell you, only two States are surplus in power, that is, Maharashtra and Madhya Pradesh and the other States are deficit in power.

As a said, we are not in a position to utilise the installed capacity. Instead of starting so many new industries we must invest in our power generation. By the end of the Seventh Plan, according to the Planning Commission, according to the Ministry of Energy, we will be short of 10,000 MW. That is why I am always requesting the Prime Minister to concentrate on the generation of power and the State Governments also must invest on power generation. In spite of their other programmes, they must invest more on power generation. Without power you cannot develop the State, you cannot develop this country, I must remind all the Members once again. Because, as the Chief Minister I invested 40 per cent of plan allocation on power. That is very important. Without power we cannot expect these industries. You know very well, there are...

PROF. MADHU DANDAVATE : Sathe is responsible.

SHRI J. VENGAL RAO : Not Sathe, we are all responsible. I am not going to blame anybody because we are agriculturally oriented people and because we are not industrially oriented people. That is the defect. In America 5 per cent people who are working in the agricultural sector are producing for their country and they are exporting to other countries whereas in our country 80 per cent of our people are producing not sufficiently for us. Just now from Punjab our hon. Member spoke. In spite of all the turmoil for the last six years, even then the production is very high in Punjab. Their per capita income is very high in Punjab. And we are treating Punjab as a special case. Ask Mr. Ramoowalia. When he came, when his Minister came to my office. I remember I sanctioned in one day four sugar factories and one tyre factory. Whatever they want we are giving. (Interruptions).

SHRI BALWANT SINGH RAMOO-WALIA : I extend my gratefulness on behalf of my State.

SHRI J. VENGAL RAO : Not for your sake, but for the country's sake.

[Translation]

PROF. SAIFUDDIN SOZ : Everybody is happy with you.

[English]

SHRI J. VENGAL RAO : I will come to your Jammu and Kashmir also. (Interruptions)

Sir, about this licensing policy, we completely changed the whole system. There is a lot of liberalisation. There is no need to visit our Udyog Bhavan to get the letter of intent nowadays. I am telling you that if you send us a composite application, if you file an application, you will get within 45 days as far as possible, the letter of intent at your house. I am trying to reduce corruption in my own Department. That is why so many people are coming forward to invest on industries. We pray God that in the next season we will have good rains, so that our power position throughout the country improves and so many people may come and set up industries.

One point I am reminding my colleague, Mr. Srirama Murty. You know very well, in Warangal and Khammam districts, the Naxalite affected districts, granite quarries are available. Previously, you were utilising the granite stone for the metalling of the roads. Now, that granite is very valuable in the international market, I have already sanctioned 30 units. Another 100 people are coming under NRI to set up the units in Warangal, Khammam and Nalgonda districts. There is a lot of encouragement from within the country and outside the country also. Now, we have to create the infrastructure. We have to create facilities and we have to clear their applications without any delay. Then only, we can attract more people. That we are doing now. We have liberalised many aspects of our licencing. We have yet to liberalise and give more facilities and incentives.

Now we are about to enter the 21st century. We have to set up modern indus-

tries. We must start petro-chemical industries on a large scale. Only in Baroda, there is IPCL. In Maharashtra, a petro-chemical complex will be coming next year.

About Halida, we have cleared it almost. They are not interested. The letter of intent was given in 1977. They have to approach the financial institutions. It is not the duty of the Industry Minister to do that. The duty of the Industry Minister is only to give clearance. You must go and approach the financial institutions and you must convince them about the viability of your project. (Interruptions). In the States, we are planning to have, where the facilities are there, 5 or 6 petro-chemical projects. Petro-chemicals are in large demand. For a petro-chemical industry, you have to invest nearly Rs. 2000 crores. There is a lot of scope for downstream industry and Vizag will be considered for one petro-chemical complex. Fortunately in Godavari and Krishna basins, there is gas and oil also. There is a scope for further expansion at Vizag refinery. That is why, we must concentrate our efforts towards this end.

About small scale industry also, we are giving lot of importance to the small scale sector. Now 14.73 lakhs small scale units are there and as you mentioned, 1.45 lakh and odd units are sick. What is the percentage. It is 7.1%. There are so many factors for units becoming sick. They are mismanagement, siphoning off the funds, muleting the financial institutions and so many other things. We created a national equity fund—Rs. 10 crores by the Government of India and Rs. 10 crores by the IDBI. With one per cent interest, they will assist the sick units for rehabilitation. There is a scope now. This small scale industry will create more jobs. I am mentioning one point. Do not take it as a criticism. In Vizag Steel Plant, we are ultimately investing 7500 crores.. It will create only 10,000 direct employment and 10,000 indirect employment. If you invest that amount in small scale sector, it will create one million jobs. Now these 14 lakhs and odd small scale industries created would provide 142 lakh persons employment. And the production is very high. We are exporting the products also.

About the public sector, one point, I must agree with you. Some are State-owned

units. The small units in West Bengal and other places were started in British regime a hundred years back. Bengal potteries was started in 1919. Bengal chemicals and Immunities started 130 years back. These are all taken over by the Government without modernisation, and without sufficient investment we cannot get the profits. That is why, they are losing. I am giving the figures.

SHRI BASUDEB ACHARIA : You give money.

SHRI J. VENGAL RAO : Money will come also. About the sick units, as Mr. Srirama Murty mentioned, 27 units were directly under our control. (Interruptions) 11 units are losing. 16 units are earning profits. (Interruptions) Please don't disturb me. Because you mentioned about Bharat Heavy Plates in Vizag, one year back I enquired. They earned profit that year i.e., in 1986-87. They paid penal interest to the bank and other adjustments. That is why, they incurred loss. In that year the profit was Rs. 5,72,52,030 before tax. This year and next year, the order book is very good. It will come up to more than expectations. I may assure you. (Interruptions)

17.46 hrs.

[MR. SPEAKER in the Chair]

MR. SPEAKER : Not on record. Nothing will go on record except what the Minister says.

(Interruptions)

SHRI J. VENGAL RAO : Mr. Jaipal Reddy is not interested in industries. (Interruptions)

MR. SPEAKER : He is interested in halla-gulla.

SHRI J. VENGAL RAO : His Constituency is very bad area in industries. My Ministry is in charge of many subjects. I must tell that also. One is about the industrial development.

The second is public sector.

The third is public enterprises.

The Fourth is DGTD.

Fifth is Company Affairs, MRTTP and the Sixth is Petro-chemicals and Chemicals and Drugs.

I have to answer all these Departments. (Interruptions). I am coming to the point. You must understand about my Ministry also. That is why, I am telling you all these things. (Interruptions).

Sir, I must clarify one thing to my friends. Whichever party they belong to, whichever party rules the State Government, we are going unbiased and we are going in a judicious manner. (Interruptions).

SHRI SOMNATH CHATTERJEE (Bolpur) : You have to tell that. Unless you tell that, people will not understand that you are unbiased. (Interruptions).

SHRI J. VENGAL RAO : If you have got any doubt, please ask your Chief Minister Shri Jyoti Basu... (Interruptions). Ask Mr. Hegde... (Interruptions). Ask Mr. Rama Rao. Recently he came and met me. Previously he got some doubts. Recently, he came and met me. I treated him very cordially. (Interruptions)

SHRI SOMNATH CHATTERJEE : I want to put it on record that the Chief Minister says that Mr. Vengal Rao is very cooperative... (Interruptions) But fortunately, he is powerless. These are the remarks. (Interruptions) I want to put it on record, on behalf of my Chief Minister that Mr. Vengal Rao is very helpful, cooperative but he cannot get things done in spite of his best wishes. (Interruptions)

SHRI J. VENGAL RAO : You do not know about my power. (Interruptions)

SHRI SOMNATH CHATTERJEE : You must show your power. We want to see your power. You are the industry Minister of India. You behave like that.

SHRI BASUDEB ACHARIA : You are not exercising your power.

SHRI J. VENGAL RAO : I was once the Home Minister and I was the Chief Minister of a State. You must know that... (Interruptions) Don't think I am powerless. (Interruptions)

MR. SPEAKER : The Energy Minister himself has come here.

(Interruptions)

SHRI J. VENGAL RAO : I have answered about the sick units.

KUMARI MAMATA BANERJEE (Jadavpur) : Sir, what about the Bengal Potteries ?

SHRI J. VENGAL RAO : I am coming to the Bengal Potteries also. About the Cycle Corporation, the Bengal Potteries, I would like to say that all these are losing concerns. We are not going to nationalise all these industries. I am in favour of efficient Public Sector Undertakings. *(Interruptions)*

SHRI BASUDEB ACHARIA : You please make them efficient.

SHRI J. VENGAL RAO : You please hear me first...*(Interruptions)*. I am not in favour of inefficient Public Sector Undertakings. In the name of Socialism, we do want to waste hundreds of crores of rupees. We are wasting thousands of crores of rupees in the name of Public Sector Undertakings. You must modernise them. You must tell all the workers to cooperate and increase the productivity. The productivity of the workers in the Public Sector is less compared with that of the Private Sector.

SHRI BASUDEB ACHARIA : Are you there for this ? *(Interruptions)*

SHRI J. VENGAL RAO : I have mentioned in the morning in the Question Hour about your Cycle Corporation, the Hero Cycles...*(Interruptions)* Please hear me. *(Interruptions)*

DR. DATTA SAMANT (Bombay South Central) : There is no raw-material.

(Interruptions)

SHRI J. VENGAL RAO : You have got one Cycle Corporation in Bombay. He has got one Cycle Corporation in Calcutta. I will come to that. The Hero Cycle people, they are producing one...*(Interruptions)*

DR. DATTA SAMANT : Are you coming with me ? I will show you. You give us the raw-materials. I will give you an undertaking that we can make so many cycles. We have got all the machines. Please do something in this regard. *(Interruptions)*

SHRI J. VENGAL RAO : Please hear me. I will discuss with you. The Public Sector Undertakings and the Private Sector Undertakings must increase productivity. You must have efficient Public Sector. In the name of Public Sector, we should not waste the nation's money. That is my conviction even today. *(Interruptions)*

In the morning, I have...

DR. DATTA SAMANT : Your people have literally ruined the industry..... *(Interruptions)*

SHRI BASUDEB ACHARIA : Unless you provide the raw material, unless you provide the working capital, how can the workers work ? You give the raw material and you will see that they produce not four but six cycles per day...*(Interruptions)*

SHRI J. VENGAL RAO : About the...

PROF. MADHU DANDAVATE : There is guillotine at 6 O'Clock.

SHRI J. VENGAL RAO : At 6 O'Clock I will sit down.

SHRI BASUDEB ACHARIA : What about Bengal Potteries ?

SHRI J. VENGAL RAO : Kindly hear me.

Kumari Mamta Banerjee suggested that I should invite all the MPs from West Bengal. Irrespective of Parties, I will invite you all, I will discuss with you about Bengal Potteries and about all other sick units; I will certainly do it before the end of this Session; and I will certainly take your suggestions. If you want, I will invite all the States' MPs also; I have no objection...

DR. DATTA SAMANT : What about Maharashtra ?

SHRI J. VENGAL RAO : I told you just now, "all the States". Every day I can finish one State.

SHRI BASUDEB ACHARIA : What about the White Paper on public sector ?

SHRI J. VENGAL RAO : The White Paper is ready now; it is under scrutiny. Any time before the end of this Session, I

will place it on the Table of the House. We can have a discussion also.

About the Cement Corporation of India also, some Members mentioned. There are ten cement plants under the management of the Cement Corporation of India, and 50 per cent of the capacity is in Andhra itself—there are three plants, one at Yajaguntla, one at Adilabad and one at Tandur. Because of power, because sufficient power is not there, all these plants are closed...

AN HON. MEMBER : Mr. Sathe is there.

SHRI J. VENGAL RAO : He is also not sufficient. There will be a dearth of 10,000 megawatts of power by the end of the Seventh Plan. That is why, recently, we have appointed a high-powered Committee under Shri Visveswarayya—he is the Chairman. He has given some recommendations. All those recommendation would be considered and we shall try to improve the functioning of the cement plants and try to remove the wastages.

Some hon. Member mentioned about corruption and the luxurious expenditure by the public undertakings. To some extent, I agree on this point, because they are enjoying more than a Minister. We made them autonomous. There is a memorandum of understanding. We are not going to interfere in their day-to-day administration. If you ask them to stay in a Minister's house, they will not agree. They will purchase luxurious furniture. There are some complaints. There is corruption in some units. I entirely agree on this point. I am trying to rectify. There are 225 public undertakings. All of them are not under my control. Only 27 are under me. Some are under Mr. Sathe and some others are under another Minister...

SHRI S. JAIPAL REDDY : We recommend to the Prime Minister that the remaining also should be transferred to you.

SHRI J. VENGAL RAO : This is enough for me. I do not want your recommendation.

SHRI S. JAIPAL REDDY : With my

recommendation, you will lose what you have now.

SHRI J. VENGAL RAO : Dandavate-ji, he was in my Party. Wherever he was, he was a dissident...(Interruptions)

PROF. MADHU DANDAVATE : After his improvement, he came to us.

SHRI J. VENGAL RAO : About sick units also, we passed an enactment in this House. The BFR is looking after it. We shall try to rehabilitate it.

18.00 hrs.

About the small scale industries, I mentioned to you.

There is one very important thing about Jammu and Kashmir. It is very difficult to set up a public undertakings or heavy industry in Jammu and Kashmir, Assam, North-Eastern States or in the hilly regions. We should not spoil the climate also.

Thank you very much.

PROF. MADHU DANDAVATE : He has thanked you for guillotining it.

MR. SPEAKER : I shall not 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 shows 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, 1989, in respect of the heads of Demands entered in the second column thereof against Demands Nos. 50 to 53 relating to the Ministry of Industry.”

The motion was adopted.