

SHRI MOOL CHAND DAGA : He did not tell how much they would be able to supply.... (Interruptions)

SHRI GIRDHARI LAL VYAS : Let me ask a question.

MR. SPEAKER : All right, you can.

SHRI BALKAVI BAIRAGI : Mr. Speaker, Sir, it seems that Vasant is wevering during *Vasant* (spring).....((Interruptions))

[English]

SHRI VASANT SATHE : I will supply the detailed figures of the 7th Plan to the Hon. Member.

[Translation]

SHRI GIRDHARI LAL VYAS : Mr. Speaker, Sir, the Government had approved the setting up of four Thermal units in Kota, but only two units have been set up so far although all the four units should have been completed during the Sixth Five Year Plan. Besides, as the Hon. Speaker has also stated, 2,000 M.W. of power would still be needed by the end of the Seventh Plan. The Hon. Minister has also mentioned about Palana Lignite Plant which will have a generation capacity of 60 M.W. Apart from that, the Department of Atomic Energy has also issued approval for the setting up of two atomic power units, but even after the commissioning of these two units, Rajasthan's requirement of power will not be fully met. The Government had entered into an agreement with Himachal Pradesh to meet Rajasthan's power requirements, but even this agreement has not been implemented so far. I want to know from the Hon. Minister the names of projects which are being taken up by the Government to meet the power requirement of the State.

SHRI VASANT SATHE : Rajasthan has very few projects of its own to meet its power requirements. State's share from other projects is : Gandhi Sagar 57.5 M.W., Rana Pratap Sagar 86 M.W., Jawahar Sagar 49.5 M.W., Kota 11.75 M.W., Beas 408 M.W., Hydel Generation 855 M.W., Thermal Power Station Kota (with increased capacity) 220 M.W, Small Thermal Power Stations 23 M.W., Diesel Sets 7 M.W. and

share from other States like Satpura Project (when commissioned) 125 M.W. Thus, the total would come to 1730 M.W. So, the supply will be made from all sources which would help Rajasthan meet its gap.

MR. SPEAKER : Vasantji, power is needed to ensure that Rajasthan gets rid of drought and famine. The State has experienced successive droughts during the last three to four years. You see to it. (Interruptions) Thermal power generation there has to be paid attention and this also. Let me tell you that Bihar alone can feed the whole country.

[English]

Long-term Policy for development of Leather Industry

*130. **SHRI K. RAMAMURTHY :** Will the Minister of INDUSTRY be pleased to state :

(a) the details of long-term comprehensive policy for the development, modernisation and technological upgradation of the leather industry in pursuance of the Government's directive to the Chairman of the Development Council for Leather Industry in this matter;

(b) the efforts being made to upgrade the quality of leather so that the country could earn 30-40 per cent more foreign exchange from the export of leather products; and

(c) the steps being taken to remove the various constraints in the export of leather goods so that the exports can be given a boost ?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT (SHRI M. ARUNACHALAM) :
(a) to (c). A statement is given below.

Statement

(a) A Working Group headed by the Chairman of the Development Council for Leather Industry, has been constituted in January, 1986, to formulate a comprehensive long term policy for the development, modernisation and technology upgradation of the

leather industry. The Report of the working Group is awaited.

(b) and (c). Liberalised import of various raw materials, chemicals and auxiliaries required by the leather industry, has been permitted. The import of raw hides and skins as well as certain varieties of leather has also been allowed under OGL to supplement domestic availability. Most of the machinery required for the manufacture of leather has also been put under OGL, with a reduced rate of customs duty, so that the leather industry can equip itself with the latest technology capable of producing quality leather of international standards. Government are also permitting foreign collaboration for technological upgradation of the leather industry by granting approval for foreign collaboration in the field of leather chemicals, shoe uppers, leather boards, leather footwear and leather goods etc. The licensing policy for leather footwears and other leather goods has also been liberalised recently to permit units in the organised sector to set up export oriented units. By and large, the leather industry has been developing at a fast pace and has been doing well on the export front as a result of these policy measures.

SHRI K. RAMAMURTHY : The first part of my question was for setting up a committee under the Chairman of the Development Council for Leather Industry. The reply to that is that it has been constituted in the month of January 1986 and the report is being awaited. I would like to know when the Committee is expected to finalise its report? I would also like to know whether the Committee has been entrusted with the study of the water pollution from this industry as we are still adopting primitive methods for processing, developing and manufacturing.

SHRI M. ARUNACHALAM : A Working Group headed by the Chairman of the Development Council for Leather Industry has been Constituted to work out a long-term plan. The representatives of the leather industry, KVIC, research organisations and other concerned agencies have been associated with the Working Group to evolve a coordinated approach taking into consideration various factors. As soon as the work gets completed the report will be submitted.

As far as pollution is concerned the policy is to have common effluent treatment plants in areas where there are concentration of tanneries, such as Vaniambadi in Tamil Nadu and Jajmau in Kanpur. Dispersed units have to set up their own effluent disposal plants as required by the pollution Control Boards. While it is possible for large units to set up their own effluent disposal plant, it would not be economically viable for small units, who are asking for subsidy. It is, therefore, advantageous to have common effluent treatment plants for clusters of small units. The Tamil Nadu State Leather Corporation is organising common effluent treatment plants under cooperatives.

SHRI K. RAMAMURTHY : Sir, in reply to my question as to when the committee is going to finalise its report the Minister has said, 'as soon as possible'. Sir, You know what this vague term means. So, I would like to know whether any time-bound programme has been fixed for this committee. This is a very long-pending need to modernise this industry in order to get large amount of foreign exchange through exports.

SHRI M. ARUNACHALAM : Sir, we can ask the Committee to submit its report within six months.

SHRI R. RAMAMURTHY : Sir, in part (b) of my question I have said that if we simply improve the quality of leather, the country can fetch 30-40 per cent more foreign exchange from the export of leather products whereas the Minister has mentioned about the liberalised import policy to allow the industry to import chemicals, technology and machinery. I would like to know what progress has been made by the leather industry on account of this liberalised import policy which is there for the last one year? Secondly, what are the procedural bottlenecks which hamper the export of leather goods?

SHRI M. ARUNACHALAM : Leather goods industry has been identified as a thrust area. Exports of leather and leather products recorded an all time high of Rs. 583.75 crores during 1984-85, against an export target of Rs. 495 crores. Following the policy thrust from semi-finished leather exports to exports of finished leather and leather products, India has emerged as supplier of finished leather

and leather products. Finished leather is the main item of export at present, followed by footwear components and footwear. A further shift in policy thrust from finished leather to value added leather manufactures is envisaged during the Seventh Plan so as to generate additional employment opportunities and to realize higher foreign exchange from the available raw material resources. The ultimate objective is to make footwear the single most important item of export in the leather sector. During the terminal year of the Sixth Five Year Plan, as against a target of Rs. 495 crores, the leather industry has exported leather and leather goods valued at Rs. 583.7 crores. However, the target of export for 1985-86 has been fixed at Rs. 605.0 crores. The target for export of leather and leather goods have also been fixed at Rs. 1070 crores for the Seventh Five Year Plan.

SHRI P. KOLANDAIVELU : Sir, actually Tamil Nadu is earning foreign exchange for the country through the export of leather goods and leather finished goods like shoe-uppers, ect. Moreover, Sir, there are so many leather units in Ambur and Vaniyambadi in Tamil Nadu, because the climatic condition is more suitable, congenial for the leather industries in those places. In this connection I may bring to the notice of the Hon. Minister that the Office of the Chairman, Leather Export Promotion Council is situated in Delhi. But the major exports of leather goods are taking place from Tamil Nadu to other foreign countries. May I know from the Hon. Minister whether it is not possible to shift the office of the Chairman, Leather Export Promotion Council, from Delhi to Tamil Nadu so that export of leather goods can be augmented ?

SHRI M. ARUNACHALAM : As for export is concerned, location of the office of Export Promotion Council is not the point. Wherever the office is located, the export will not be affected.

Issue of Bonds by REC

*131. **SHRI LAKSHMAN MALLICK :** Will the Minister of ENERGY be pleased to state :

(a) whether the Rural Electrification Corporation has decided to issue bonds of

Rs. 65 crores for public subscription to support its rural electrification programme during 1986-87; and

(b) If so, the details regarding the scheme of bonds and the benefits likely to be achieved as well as the number of villages that are going to be electrified under this scheme ?

THE MINISTER OF ENERGY (SHRI VASANT SATHE) : Yes, Sir. Rural Electrification Corporation proposes to issue bonds for Rs. 65 crores for public subscription in order to augment its financial resources for funding its programme for 1985-86.

(b) These bonds will be of two types, cumulative and non-cumulative for the purpose of payment of interest, and will carry interest @ 14 per cent per annum. The bonds will be in the denominations for Rs. 1000/- and Rs. 10,000/- each. These will be redeemed at par after expiry of 7 years from the date of allotment. The bonds will be secured by a charge on the current assets of the Corporation. The subscription list will open on 3rd March, 1986 and will close on 25th March, 1986 or earlier but not before 10th March, 1986.

The Annual Plan of the Corporation for 1985-86 envisages electrification of 17,799 villages and energisation of 3,71,880 pump sets in various States. An outlay of Rs. 379 crores was provided for this purpose.

SHRI LAKSHMAN MALLICK : Sir, most of the States in the country are facing acute shortage of power supply, specially since 1985, Orissa is facing acute power shortage and all the lift irrigation points and rural industries are also facing power shortage. Due to shortage of power, lift irrigation points are not working and industries are to be closed down. May I know whether the Government of India is aware of the power shortage in Orissa and whether the Rural Electrification Corporation has any short term programme to augment the power in Orissa by getting it from the national grid immediately so that the various lift irrigation projects and industries of Orissa are saved from the power shortage ?

SHRI VASANT SATHE : The Rural Electrification Corporation does not generate