

and one of the reasons diagnosed by him was the serious indiscipline in the air, by which he meant that the pilots are not adequately trained and educated in respect of the aircrafts they have to fly. I would like to know that after this Report was published what steps have been taken to see that this kind of things does not occur again.

SHRI P.V. NARASIMHA RAO : Corrective steps have been taken in regard to several matters mentioned in the Report and they are still being taken. As I said, I am prepared to take the House into confidence tell them what all has been done and what all is proposed to be done. But in the course of a supplementary, it will not be possible to make a comprehensive reply.

Criteria for location of Industrial Undertakings in States

* 732. **SHRI AMAR ROYPRADHAN :** Will the Minister of INDUSTRY AND COMPANY AFFAIRS be pleased to state :

(a) the criteria laid down by Government for locating industrial undertakings in various States; and

(b) whether Government take into consideration the density of population of a State and its industrial backwardness in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY AND COMPANY AFFAIRS (SHRI ARIF MOHAMMED KHAN) : (a) and (b). The initiative for setting up an undertaking, in a particular State, lies primarily with the entrepreneur. However, with a view to promote development of backward districts/areas, Government are giving preference for setting up of industries in these districts/areas and have also been providing facilities/incentives by way of Central Investment Subsidy and lower rate of interest by Financial Institutions, etc. It is also the policy of the Government to discourage setting up a new industrial undertaking or expansion of an existing undertaking within the urban area limits of metropolitan cities with a population of more than 10 lakhs and within the municipal limits of cities with a population of more than 5 lakhs.

SHRI AMAR ROYPRADAN : Mr. Speaker, Sir, the reply is a stereo-type one. If you go through the record, you will find that since 1980 onwards similar answer has been coming for similar questions and nothing new is there... (Interruptions).

MR. SPEAKER : How can answer be similar ?

SHRI AMAR ROYPRADHAN : No progress at all. Really you will be astonished to know that in 1975-80 the figure for no-industry districts was 102 and at present, in 1985-86, the figure is 90. That means, the progress is only 12 districts and not more than that. If this ratio continues, it will take at least 45 years to make progress in the remaining 90 districts.... (Interruptions).

AN HON. MEMBER : Not a long time.

SHRI AMAR ROYPRADHAN : Not a long time, only 45 years. In the reply it has been stated that the initiative lies primarily with the entrepreneur. If everything lies with the entrepreneurs, then the Centre should not blame the State or the State should not blame the Centre. But the fact is that it is primarily the responsibility of the Centre. So, under the circumstances I would like to know whether the Government will take initiative to set up some industries particularly public undertakings, in these backward areas, whether they are in the North-Eastern region, whether they are in the Southern region or whether they are in any other part of the country. Please take this matter seriously. Don't think that these are the only parts in the country which are backward, there are some other parts also which are backward.

SHRI ARIF MOHAMMAD KHAN : Sir, the hon. Member is saying about the same answer being given. I think it speaks of the consistency with which we pursue our policy. The hon. Member wants to know whether the Government will take any initiative to set up industries in the backward areas. Government has already taken not one but several initiatives to direct investment in the

backward areas and in pursuance of that policy, the scheme for the development of the backward areas was formulated. Central investment subsidy scheme, transport subsidy scheme, concessional finance from the financial institutions, all these things are being provided for the backward areas. So, the Government has already taken many initiatives and is doing its best to direct investment to the backward areas for the development.

SHRI AMAR ROY PRADHAN : It is a fact that out of these 90 no-industry districts, 37 are in the North-Eastern region, Northern part of West Bengal i.e. North Bengal and North Bihar. And in spite of the fact that you have given so many subsidies and incentives, not a single entrepreneur has taken an initiative to establish his industry there. So, may I know—I would also request the Prime Minister—whether the Central Government will take initiative to set up some undertakings like small steel plants in such districts?

THE PRIME MINISTER (SHRI RAJIV GANDHI) : As the hon. Member has dragged me into this question, I would like to answer him. The question is that we give certain incentives for development of the backward areas called 'no-industry districts'. Incentives are there because facilities are not available there. Incentives are in lieu of the facilities. In many areas people have gone to 'no-industry districts', they have gone to backward areas and set up industries. But the question is whether the State Government has got an atmosphere where no industrialist wants to go there. There we can do nothing.

PROF. MADHU DANDAVATE : Since the question is related to the location of industries, I would like to know from the hon. Minister whether it is a fact that whenever Planning Commission is approached for location of industries in various States, they always try to examine whether the infrastructure like railways and ports are available or not, and when the concerned States approach the Planning Commission for how railway lines and ports they tell them that since no

industries are in existence there, there will be no return from the railways. In view of this will the hon. Minister assure us that by sitting with the Planning Commission he will sort out this issue once and for all so that every time this dilemma is not to be faced by the States.

SHRI ARIF MOHAMMAD KHAN : Solution to this problem is a continuous process. We are always looking at it.

PROF. MADHU DANDAVATE : Are you satisfied with the reply, Sir?

[Translation]

SHRIMATI VIDYAWATI CHATURVEDI : Just now, the Hon. Prime Minister has said that the necessary atmosphere has not been created at many places, but the government's policy is that there will not remain any district where industries will not be set up. But today, the reason for the imbalance is that all the industries are being set up in the big cities and these industries are becoming a sort of burden on these big cities. When the Government's policy is to set up industries in all the backward districts, do you propose to provide all the facilities on priority basis in the districts listed as backward and create an atmosphere in which industries could be set up there? Chhatarpur and Tikamgarh districts in the Bundelkhand region of Madhya Pradesh are industrially backward and these are included in your list also. In this context, I would like to know whether all these facilities would be provided there on priority basis and whether any industry in the public or the private sector with an investment of Rs. 1 lakh or more or any medium scale industry is proposed to be set up there? If so, by what time?

MR. SPEAKER : Reply to this question has already been given.

SHRIMATI VIDYAWATI CHATURVEDI : Mr. Speaker, Sir, I expect that a reply will be given to it.

MR. SPEAKER : The Prime Minister has already replied to it.

[English]

PROF. N.G. RANGA : In view of the fact that the North Eastern States are frontier areas where most of the population consists of tribal people and not too many of them are industrial minded with necessary capacity to display industrial initiative and so on, Would the Government consider the advisability of themselves taking the initiative in developing infrastructure and also starting these small industries on a cooperative basis and give the necessary training also for those local people to manage them ?

SHRI ARIF MOHAMMAD KHAN : About developing infrastructure, we have special schemes for the development of infrastructural facilities in the backward areas.

PROF. N.G. RANGA : What about North-east frontier ?

SHRI ARIF MOHAMMAD KHAN : I mean, any backward area including north-eastern region. Why I am saying so is that basically it comes under the jurisdiction of the State Government. If the Central Government takes upon itself the responsibility of identifying the areas which are to be developed, I do not know whether that proposal is acceptable to the State Governments, but under the scheme there is a provision for assistance up to a ceiling of Rs. 2 crores which will be provided by the Central Government; Rs. 2 crores will be provided by the financial institutions and Rs. 2 crores will be mobilised by the State Governments out of its own resources for the development of infrastructural facilities. Likewise, for the setting up of small scale industries we are giving all possible help to the State Governments. For the training of the entrepreneurs also we have institutions which are in touch with the State Governments who organise entrepreneurial development schemes and the motivational courses.

[Translation]

**Heavy Industries in Faizabad
(Uttar Pradesh)**

*735. **SHRI NIRMAL KHATRI :** Will the Minister of INDUSTRY AND

COMPANY AFFAIRS be pleased to state :

(a) whether Faizabad district (Uttar Pradesh) is covered under the Central Investment Subsidy Scheme announced by Union Government; and

(b) whether any scheme is under Government's consideration for setting up heavy industries in this backward district ?

[English]

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY AND COMPANY AFFAIRS (SHRI ARIF MOHAMMAD KHAN) : (a) Yes, Sir, Faizabad has been identified as a Category 'B' District and is eligible to 15% Central Investment Subsidy subject to a maximum of Rs. 15 lakhs.

(b) 4 Applications for grant of letters of intent for setting up various industries in Faizabad District of Uttar Pradesh are under consideration of the Government.

[Translation]

SHRI NIRMAL KHATRI : Sir, perhaps the applications for setting up the four industries referred to by the hon. Minister are in the private sector. Considering my information as correct, I would like to say that only 5 per cent of the public sector undertakings are there in Uttar Pradesh whereas its population is one sixth of the total population of the country keeping in view the injustice being meted out to Uttar Pradesh and also the fact that Faizabad, which is situated in Eastern Uttar Pradesh, is a backward area. Will the hon. Minister consider the question of setting up a public sector undertaking in Faizabad ?

SHRI ARIF MOHAMMAD KHAN : Sir, in a big industrial project, the central capital investment is of fundamental importance and the decision for determining the location of such a project....