

**Schemes for areas with possibilities of rapid industrial growth**

\*26. SHRI B. V. NAIK: Will the Minister of INDUSTRIAL DEVELOPMENT AND SCIENCE AND TECHNOLOGY be pleased to state:

(a) whether Districts or areas with possibilities of rapid industrial growth have been identified;

(b) if so, the names of the Districts and areas; and

(c) whether there are any schemes to utilise the potential of rapid industrial growth at these places?

THE DEPUTY MINISTER IN THE MINISTRY OF INDUSTRIAL DEVELOPMENT (SHRI ZIAUR RAHMAN ANSARI): (a) to (c). Government have identified industrially backward areas and applied special incentive Schemes to them. These Districts/areas offer possibilities of industrial growth in due course. No special effort has been made nor Schemes prepared for identifying areas with possibilities of rapid industrial growth and industrial programmes therein.

SHRI B. V. NAIK: Sir questions (a) to (c) did not mention anything about the industrially backward areas, but the answer has imported the words, "industrially backward areas" Now, out of 225 districts which are identified as industrially backward areas or districts, only a few of them have been classified as industrially very backward, numbering not more than about 35 to 40. May I know whether any finer distinction between very backward and the backward has been made and, if so, what is the basis of this distinction between the very backward and the backward?

THE MINISTER OF INDUSTRIAL DEVELOPMENT AND SCIENCE AND TECHNOLOGY (SHRI C. SUBRAMANIAM): We have identified 225

districts as backward. Out of these, certain number of districts have been made entitled to 10 per cent subsidy by grants. This is the only distinction made. Naturally, in selecting these districts, the State Governments have taken care to see that they are more backward than the other areas. That is the only criterion on which this has gone.

SHRI B. V. NAIK. In respect of these particular districts numbering about 35 or 40 in the country as a whole, the amount of incentive that has been given is as much as the total amount of about Rs. 5 lakhs of outright capital subsidy, which is a substantial amount of incentive over and above the backward. Will it be possible to bring all the backward districts, without making this finer distinction or hair-splitting distinction, into the category of the very backward ones?

SHRI C. SUBRAMANIAM. That is a suggestion for action, and certainly it does not arise out of the question which the hon. Member has put

SHRI P. VENKATASUBBIAH In spite of the many incentives offered to the backward districts like Rayalaseema, from the beginning of the announcement of incentives by the Government no industry worth the name has been located in that area, in spite of the fact that that area has got vast mineral potentialities. Therefore may I know from the hon. Minister what is the reason, and whether there is any obstruction by the bureaucracy or whether the industrialists or somebody are not able to start industries? May I know from the hon. Minister what is the reason for this?

SHRI PILOO MODY. I can answer that question. (*Interruption*).

MR. SPEAKER: I will allow you; when you come to this side you can answer.

**SHRI C. SUBRAMANIAM:** It is not only in Rayalaseema but even in the other districts of Andhra Pradesh or other districts of other States that the progress made under this scheme is not very encouraging. Therefore, we are looking into the whole question as to how to deal with this problem of backward areas.

**SHRI K. NARAYANA RAO:** The hon. Member has conceded in a way that the development in these regions is not up to the mark. In view of this, may I ask the hon. Minister whether it is desirable to identify certain industries which are conducive for rapid growth in certain areas and reserve those areas for them? Secondly, may I know whether the Government will see that they themselves will establish certain industries in these regions where the private parties are not forthcoming?

**SHRI C. SUBRAMANIAM:** One way of dealing with the problem of these backward areas will have to be on the basis of an intensive survey of these districts and trying to find out what are the natural resources available in that area and what sort of development could take place. For that purpose we have a pilot project, and we have taken up one district in Andhra Pradesh and a scientist team has been put on this for the purpose of making a survey and making recommendations with regard to the possibilities of development. Just now a preliminary report has been prepared and when we look at it perhaps this approach may yield better results than merely asking the industrialists to go and establish industries there without telling them what are the natural resources available and what sort of industries could be started there.

**MR. SPEAKER:** You do not come from a backward area, Mr. Mody.

**SHRI PILOO MODY:** I do; my district is one of the 35. Can I now ask

my question? Since the hon. Minister could not answer Mr. Venkatasubbaiah's question, I would like to know from him whether he is aware of the fact that the so-called backward districts, 35 are not making any progress in spite of the subsidies given by the Government because there is no infrastructure in those areas? The subsidy that is given is not sufficient to make up for the lack of infrastructure not only in the matter of services and utilities required but also in the form of distribution once a product is made? Therefore would the Government consider making the subsidy realistic enough to overcome the handicaps of the poor infrastructure and the distribution system?

**SHRI C. SUBRAMANIAM:** We requested the State Governments to improve the infrastructure in those areas so that the industries may come up there. The amounts cannot be paid to the private industrialists to build up the infrastructure.

**SHRI PILOO MODY:** The Minister has completely misunderstood what I said. The subsidy was not adequate to cover the absence of infrastructure, or rather the facilities that the infrastructure does not provide has to be made up by the entrepreneur and therefore if they were to improve the subsidy it would be possible for them to develop those areas.

**SHRI C. SUBRAMANIAM:** I have correctly understood the hon. Member, who wants to increase the subsidy to such an extent that industrialists may be able to develop the infrastructure. That is not the policy of the Government.

**SHRI S. R. DAMANI:** In reply to many hon. Members the hon. Minister has said that many incentives had been offered for putting up industries in backward areas but so far very few industries had gone to the backward areas. May I know from the hon. Minister whether without providing

transport and communication it is possible to locate industries in backward areas? If not what steps are taken to provide quick transport and communication to these areas?

**SHRI C. SUBRAMANIAM.** This is the point which the hon. Member made. The infrastructure is the road and other communication systems. We are asking the State Governments to improve them but the picture is not so bleak. About 1,500 and odd applications have come from the backward areas and about 350 have been disposed of, others are being looked into. Still these have come only from a few States, not from all the States. That is the only difficulty.

#### **New Licences for expansion of Cement Units in States**

\*27. **SHRI RANABAHADUR SINGH** Will the Minister of **INDUSTRIAL DEVELOPMENT AND SCIENCE AND TECHNOLOGY** be pleased to state.

(a) whether the Central Government have issued new licences for the expansion of Cement Units in view of the requirements of Cement in the country; and

(b) the broad outlines of the decisions taken by Government for setting up Cement industries, State-wise?

**THE DEPUTY MINISTER IN THE MINISTRY OF INDUSTRIAL DEVELOPMENT (SHRI PRANAB KUMAR MUKHERJEE):** (a) Yes, Sir

(b) Subject to availability of the main raw material viz., cement grade limestone, it is open to any interested entrepreneur to set up a cement plant anywhere in the Country. Each application for a licence is considered on merits with reference to its economic viability, demand and consumption in the area, location, etc. A statement showing the new capacity approved statewise so far is placed on the Table of the House. [Placed in Library. See No. LT-4191/73.]

**SHRI RANABAHADUR SINGH:** In this context, I would like to ask according to the statement that has been given to us, there have been some licences granted to the State of M.P. It is obvious from the statement that all these licences have been given to areas which are already comparatively well developed. It is also well-known that most of M.P.'s north-eastern part has got sufficient quantities of cement quality limestone. Those areas which are backward and which have limestone have not been given licence according to this statement. May I request the Government to consider using the licensing policy for developing backward areas for putting up cement plants in regions where cement-grade limestone is available in the backward regions?

**THE MINISTER OF INDUSTRIAL DEVELOPMENT AND SCIENCE AND TECHNOLOGY (SHRI C. SUBRAMANIAM):** A licence can be given only on an application. If no application is made with reference to these areas, we cannot give licences to them. If there are areas where lime stone is available and no applications are coming from the private sector, certainly, we can ask the Cement Corporation of India to look into it, make an assessment of the availability and put in an application for that.

**SHRI G. VISWANATHAN:** In view of the scarcity of cement in the country that has led to black-marketing in the country, may I know from the hon. Minister what immediate steps are going to be taken to overcome scarcity and to stop black-marketing?

**SHRI C. SUBRAMANIAM:** We are giving licences to new units and we are identifying units which would go into production immediately. We are giving all the assistance possible. Unfortunately, it is not a question of capacity not being available now. We are unable to utilise the capacity because of the power scarcity in many parts of the country where cement plants are located. I have addressed