

**PROF. D. P. CHATTOPADHYAYA:** Sir, Government policy is two-fold, if I may say so. In absolute terms, perhaps, increase, but, in relative terms, a gradual decrease of export of iron ore and increase of export of derivatives, if possible, finished products.

**श्री रामकवर:** मैं मंत्री जी से जानना चाहता हूँ कि चूँकि लोहे का जो व्यापार दूसरे देशों के साथ हमारा हो रहा है उसमें वर्तमान स्थिति में हमें बहुत कम कीमत मिल रही है, क्या आप कीमत बढ़ाने जा रहे हैं? और यह जो कच्चा लोहा बाहर भेजते हैं मंत्री महोदय ने पहले बताया था कि हम भारत में ऐसे उद्योगधंधे चालू करेंगे जिस से यहाँ का लोहा यहाँ खप सके, तो इस योजना को मंत्री महोदय कितने दिनों में पूरा करने जा रहे हैं?

**PROF. D. P. CHATTOPADHYAYA:** Sir, I have already said that Government policy is to see that gradually semi-processed and if and when possible, fully processed steel is exported. Meanwhile, we have seen to it that our iron ore fetches remunerative and comparable prices, comparable to the prices fetched by other iron ore exporting countries.

**SHRI P. R. SHENOY:** Sir, may I know whether the iron ore exported from India is getting reasonable price at present? If not, what is the . . .

**MR. SPEAKER:** You are shifting from that meeting to the prices now.

**SHRI P. R. SHENOY:** Sir, may I know whether one of the objects of the meeting is to get a good price for the iron ore exported from India and may I also know whether we are getting a reasonable price for the iron ore we are exporting at present?

If not, what steps are taken to get a reasonable price?

**PROF. D. P. CHATTOPADHYAYA:** To both questions, my answer is 'yes'.

**श्री राजू रत्न शर्मा:** आपने बताया है कि चीन देशों ने जेनेवा की

बीठक में भाग लिया। मैं जानना चाहता हूँ कि वे कौन कौन से देश थे? मैं यह भी जानना चाहता हूँ कि आयरन ओर भेजने में या फिनिश आयरन भेजने में फायदा है? आयरन ओर की देश में बहुत कमी है। ऐसी अवस्था में अगर हम इसका निर्यात करेंगे तो हमें फायदा रहेगा या उससे नुकसान होगा?

**PROF. D. P. CHATTOPADHYAYA:** I have already answered the latter part. The only other thing I would like to mention is that the countries which attended the meeting are Algeria, Australia, Brazil, Chile, India, Mauritania, Peru, Sierra Leone, Sweden, Tunisia and Venezuela.

#### Assistance given by Financial Institutions to States

\*779 **SHRI SAMAR GUHA:** Will the Minister of FINANCE be pleased to state:

(a) whether replies given to Unstarred Questions No. 852 on 26th July, 1974, No. 1463 on 2nd August, 1974, No. 2624 on 16th August, 1974 (laid on the Table on 28th February, 1975), No. 3380 on 23rd August, 1974 and Starred Question No. 354 on 14th March, 1975 factually show that financial advantages in regard to assistance by IDBI, IFCI, UTI, LIC, ICICI and IRCI have gone arbitrarily in favour of States in proximity of the headquarters of these financial institutions,

(b) whether the facts about unequitable and disproportionate distributions of financial assistances given to different States are clearly established from the figures of distribution of financial assistances made to different States;

(c) whether such discriminations in distribution of financial assistances have very considerably contributed to the growth of regional economic imbalances; and

(d) if so, whether Government propose to set up an independent high power Committee of economic experts to go into the matter?

**THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRIMATI SUSHILA ROHATGI):** (a) to (d) A statement is laid on the Table of the House.

### Statement

(a) to (c): The flow of financial assistance from the all-India long-term public financial institutions to the different States is not in any way influenced by the mere fact of the Headquarters of these institutions being located at a particular place.

The location of Head Offices of the Industrial Development Bank of India, the Life Insurance Corporation of India, the Unit Trust of India and the Industrial Finance Corporation of India have been determined in accordance with the provisions of the relevant parliamentary statutes under which they have been set up. The location of the Head Offices of the Industrial Credit and Investment Corporation of India and the Industrial Reconstruction Corporation of India are in accordance with their respective Memoranda of Associations. Besides their regional offices in the metropolitan towns, the Industrial Development Bank of India and the Industrial Finance Corporation of India have opened a number of their offices in practically all the States not only to serve better their existing constituents in those areas but also to make whatever contribution possible to the industrial development of those regions by increasing the flow of assistance to them without any discrimination whatsoever.

The disbursement of financial assistance by public financial institutions depends upon the number of projects which are established in a particular area. The location depends on a number of techno-economic considerations. The financial institutions assist all viable projects which merit assistance on techno-economic considerations and also ensure that no viable project suffers for want of institutional support.

Keeping in view the imbalances in industrial development amongst different States and between areas within a State, the policies followed by public financial institutions have been directed to remove them progressively. At the instance of Government, the public financial institutions have announced schemes of concessional finance to projects located or to be located in the industrially backward areas in each State. Besides, surveys have been undertaken and Consultancy Service Centres have been opened by the institutions to actively assist

the development of industry in the specified industrially less-developed areas.

The removal of regional imbalances in industrial development is a long term process and it is too early to judge the success achieved in this regard.

(d) Government do not consider it necessary to appoint any committee to go into this matter.

**SHRI SAMAR GUHA:** This is an evasive reply to the culminating question following from five other questions that I had asked previously. So many informations were given to me, but I find in the answer the data and figures supplied by Government have not been taken into consideration in any way in replying to my question. I hope you will bear with me if I just ask a question after quoting some figures . . .

**MR SPEAKER:** Do not make a speech. Ask a question.

**SHRI SAMAR GUHA:** Government have replied that location of these institutions has nothing to do with the supply of credit and that credit is offered on the basis of projects etc. I will quote a few figures on the basis of the former replies given to me—I hope you will allow me to do so—and ask my question. Is it a fact that credit supplied by the scheduled commercial banks as at December 1973 was as follows: Maharashtra Rs. 1782 crores, Gujarat Rs. 542 crores, Karnataka Rs. 457 crores, Assam Rs. 70 crores, Bihar Rs. 204 crores, Orissa Rs. 43 crores, U.P. Rs. 408 crores and West Bengal Rs. 941 crores, and the same for agriculture, industry, trade etc. by nationalised banks in the same period was as follows: Maharashtra Rs. 65 crores, Gujarat Rs. 38 crores, Karnataka Rs. 35 crores, Assam Rs. 1 crore, Bihar Rs. 11 crores, Orissa, Rs. 2 crores, UP Rs. 31 crores and West Bengal Rs. 16 crores?

Is it also a fact that upto 30-6-1974 the finances given by the IDBI, IFC and ICICI respectively were as follows: Maharashtra Rs. 248 crores, Rs. 105 crores and Rs. 161 crores, Gujarat Rs. 95 crores, Rs. 53 crores and Rs. 58 crores, Karnataka Rs. 64 crores, Rs. 35 crores and Rs. 31 crores, Assam Rs. 25 crores, Rs. 8 crores and Rs. 15 crores, Bihar Rs. 42 crores, Rs. 25

crores and Rs. 32 crores, Orissa Rs. 11 crores, Rs. 12 crores and Rs. 10 crores, U.P. Rs. 37 crores, Rs. 44 crores and Rs. 24 crores and W. Bengal Rs. 98 crores, Rs. 42 crores and Rs. 32 crores? (*Interruptions*). These facts have been avoided. I can give innumerable other facts. I want to know from the Government whether the facts that had been given do not clearly show that willingly or unwillingly a policy of discrimination is being pursued as a result of which a kind of imbalance had been created in the different States and if so how would the Government explain this acute disparity in giving financial credit by the nationalised banks, scheduled banks and other banking institutions that are located in Bombay? Is it a fact that due to proximity the States which are near the location of the financial institutions get more benefit out of them whereas the States which are far away from Bombay get minimal benefit, States like Bihar, Assam, West Bengal?

SHRIMATI SUSHILA ROHATGI: May I also on behalf of the Government specifically state this. I should first like to draw attention to the fact that the question relates specifically to financial institutions . . .

SHRI SAMAR GUHA: Culmination of . . .

SHRIMATI SUSHILA ROHATGI: . . . Culmination of five very important questions, that are mentioned in the question. I was pointing out that this question specifically related to the financial institutions as such. The replies that we have given cover the various points that have been raised by the hon. Member. He has referred to the proximity or location of the places, regional disparities, etc. All these had been replied to in the course of my reply.

SHRI SAMAR GUHA: The hon. Minister says that all those questions had been replied. I even exerted on your patience by giving a few examples.

MR. SPEAKER: This is Question Hour, not debating hour.

SHRI SAMAR GUHA: I knew that such a reply would be given and it is only for that reason I taxed the patience of the

House and have certain figures. I wanted to know how do you explain this way?

MR. SPEAKER: She answered so sweetly and so softly.

SHRI SAMAR GUHA: Let me ask my second question. Will the Government in their wisdom and in view of the facts and figures and statistics and data that have been supplied in reply to my five earlier questions concede the clear disparity in the distribution of financial credits by the financial institutions of India to the different States? Will the Government see the compulsion of an independent high power committee of economic experts to go into the matter and say why this discrimination is there.

SHRIMATI SUSHILA ROHATGI: May I also say, Sir, that in addition to what had been said before, I hope mine was a convincing answer also. The Government are fully convinced of it; there is no discrimination. I shall certainly appeal to the hon. Members to see the reasons behind this. The basic fact remains that in certain States the infrastructure facilities are not there; the market is not there; investments may not be there. All these things are taken into consideration by entrepreneurs when they decide not to take up projects in any particular State. (*Interruptions*) I am trying to convince the hon. Member.

MR. SPEAKER: No side attacks.

SHRI SAMAR GUHA: Government have agreed that the survey has been undertaken. Then, why is it not being undertaken by an expert committee?

SHRIMATI SUSHILA ROHATGI: The survey has already been completed and the Government is aware of the situation. What additional work is the expert committee supposed to do?

SHRI VIRBHADRA SINGH: May I know whether any criterion has been laid down by the Government for giving of financial assistance to the States by financial institutions and whether it is a fact that giving of assistance has been left to the sweet will of the financial institutions or it is done on the basis of specific proposals received by the financial institutions from the State Governments?

**SHRIMATI SUSHILA ROHATGI:** The basic policy of the Government is, every effort is being made to see that financial institutions give credit to the maximum extent possible for taking the industries to the backward areas. For this purpose, concessional schemes have been introduced and are being implemented. It is in various forms, irrespective of the cost of the scheme whether it is a new scheme or for rehabilitation or expansion, whether it is in the cooperative sector or any other sector, etc. At the same time, it also depends to a very great extent upon the entrepreneurs themselves. If they want to locate it at a particular place, it has to be done there.

**SHRI BISWANARAYAN SHASTRI:** It appears from the replies given and from the statement laid on the Table that Assam stands in the lowest position in the matter of receiving grants or assistance from the financial institutions, whatever the reason may be. In view of the fact that it is the policy of the Government to give priority to backward regions in the matter of development, will Government issue directions to the financial institutions to give assistance in such a way that regional imbalances are removed?

**SHRIMATI SUSHILA ROHATGI:** It is precisely in consonance with the particular policy mentioned by my colleague that those various consultancy service centres have been established by the financial institutions, as explained in the statement. So, that particular factor is also taken care of.

**SHRI TRIDIB CHAUDHURI:** May I know whether the attention of the Government has been drawn to the fact that apart from regional imbalances between highly industrialised States and less industrialised States, even between the more highly industrialised States, there is a remarkable disparity in the investment of these institutions? How does the Government explain that?

**SHRIMATI SUSHILA ROHATGI:** There is some regional disparity and it is precisely because of these factors which are prevalent that these are reviewed from time to time and every effort is being made to see that the various activities are co-ordinated. We have the intra-institutional committees which also look into these things

and see that delay is lessened, so that these things can be expedited.

**श्री० बोचिन्द्र दास रिडारिया:**  
मैं मनी महोदय से यह जानना चाहता हूँ कि क्या वित्तीय संस्थाओं के लिए कोई मार्गदर्शक सिद्धान्त भारत सरकार ने निश्चित किए हैं, जिनके आकार पर प्रदेशों को वित्तीय सहायता दी जाती है? क्या आपने मोटे तौर पर यह निश्चय किया है कि उद्योग को सहायता आबादी के आधार पर और कृषि की सहायता रकबे के आधार पर दी जाये?

**श्रीमती सुशीला रोहतगी:** इसके लिए दो, तीन माप-दण्ड रखे गए हैं, जो देश के अविकसित हिस्से हैं, जो ज्यादा नगलेक्टेड हैं और जो प्रायर्टी सेक्टर है, उन पर ज्यादा ध्यान दिया गया है। सरकार की तरफ से वित्तीय संस्थाओं को यह आदेश दिया गया है कि इन क्षेत्रों के कार्यक्रमों और योजनाओं को वित्तीय सहायता दी जाये।

**SHRI V. MAYAVAN:** Recently, the Chairman of the L.I.C. and the Minister of Industry and Civil Supplies had indicated that the L.I.C. is granting loans and credit facilities only to big industrial houses. I want to know from the hon. Minister what are the plans under which such financial assistance is given to the States.

**SHRIMATI SUSHILA ROHATGI:** It is not correct to say that the L.I.C. is granting loans and credit facilities only to big industrial houses. There is the investment pattern of the L.I.C. and the amount of investment in the corporate sector has been defined. It is not more than 8 or 10 per cent as a whole. It may be that bigger houses may be having a larger percentage of financial assistance than others. Under no circumstances, it is more than what is fixed by the investment pattern of the L.I.C.

**SHRI B. K. DASCHOWDHURY:** Having accepted this basic policy so long pursued by the financial institutions, as stated by the hon. Minister, there are discrimi-

nations and it cannot be denied that certain regions, certain States, have got much more share than others. I would like to know specifically from the hon. Minister whether she considers that headquarters located in certain areas, in far-flung areas, are at a great disadvantage in getting financial assistance or the facilities from financial institutions. For example, though there are certain branch offices of the Banks located in some State headquarters, here and there, the major sanctions are to be made from their headquarters. A person from Assam finds it very difficult to go to Bombay; so also a person from Tamil Nadu or Kerala or Patna or some other place. All these branch offices are nothing but post offices. Let there be a clear specific direction given by the Government as to what should be the policy in this regard.

Secondly, I want to know whether the Government has any particular policy with regard to investment and the deposit ratio. I find, from the backward districts, the deposits are being collected much more than the investment made there. For example, in a small district of Cooch-Bihar, what is the deposit, the investment is hardly to the extent of 20 per cent or even less. So also is the case of other backward districts in the country. There should be a proper deposit-investment ratio so that regional imbalances are removed.

**SHRIMATI SUSHILA ROHATGI:** Regarding the first part of the question, I think, the location of the headquarters really does not matter to a very great extent so far as the industrial development of the States is concerned. At the same time, I would like to say that they have been established according to the statute of Parliament and most of the financial institutions have their branches in the States also. Therefore, a very great distance, as mentioned by the hon. Member, does not exist in many of the cases.

Regarding the second part of the question, about regional disparities, I think, the entire policy, the investment pattern of the L.I.C., as I have said before, is to give assistance to the neglected sector and to the priority sector. That itself means that there is a Government's desire and conviction to remove regional imbalances.

So far as the LIC's deposit-investment ratio is concerned, instructions have been issued that this factor may also be taken into consideration. I think, that will to some extent improve the investment pattern and remove regional imbalance.

**SHRI N. K. P. SALVE:** I hope, the Government is serious in its business of eradication of regional disparity. The hon. Minister stated that the entrepreneurs are primarily responsible and they are forcing the financial institutions, like dumb-driven cattle, to finance them in areas which are not economically backward. If one were to discriminate between one State and another State in the matter of poverty, backwardness, the Pande Committee has earmarked several districts which are backward. May I know from the hon. Minister categorically on the floor of the House whether they will direct the financial institutions not to give finance for any new project in any district other than the backward districts?

**SHRIMATI SUSHILA ROHTGI:** Regarding the first part, this is not an assumption. This is a very sincere conviction of the Government that regional disparities should be removed.

About the second part, how can Government give such a categorical assurance? Government is concerned that balanced industrial development must take place and it will take place only if the various regional disparities which are there not only between the various States but are also there between the various parts of the State, are removed to the maximum possible extent. Does it mean that only those industries which are going to be located in backward areas are to be fed and the others are to be starved?

**SHRI N.K.P. SALVE:** I spoke only of new projects. It has always been the history of economic development that the areas which are developed become more and more developed and the backward areas always remain backward areas because this theory has been fallen back upon. What is the use of demarcating and identifying areas as backward areas if the Government is not willing to accept that the supposedly forward areas will be starved and only the backward areas will be given the finance?

**SHRIMATI SUSHILA ROHATGI:** Is it the assumption that the other areas are to

be starved? Any healthy project is not being starved because of want of credit. But at the same time preference will be given to those which are going to the backward areas

श्री जनेश्वर मिश्र . अध्यक्ष महोदय, प्रश्न के उत्तर में जो वक्तव्य रखा गया है, उस में कहा गया है

"The removal of regional imbalances in industrial development is a long term process and it is too early to judge the success achieved in this regard"

आजादी मिलने 27 साल हो गये हैं। मैं यह जानना चाहता हूँ कि ये लोग इन्फ्लैशन को कितने दिनों में निर्णय कर पायेंगे। दूसरे, क्या सरकार को इस बात की जानकारी है कि देश के वही हिस्से औद्योगिक दृष्टि से आज भी तरक्की कर रहे हैं, जो 1947 से पहले तरक्की कर रहे थे? जब विदेशी हिन्दुस्तान में आया, तो वह समुद्र के तट वाले प्रदेशों में आया, और उस ने उन्हीं क्षेत्रों की तरक्की के लिए लगातार कोशिश की। आजादी मिलने के 27 साल बाद आज भी वही समुद्र-तटीय प्रदेश तरक्की कर रहे हैं, और देश के मध्य और उत्तर के प्रदेश उसी तरह ने पिछड़े हुए हैं। इस पिछड़ेपन को देखने में फर्क चलता है कि औद्योगिक विकास के सबब में देश का जो नक्शा है, उस को यह सरकार पिछले 27 साल में नहीं बदल पाई है। मैं यह जानना चाहता हूँ कि क्या सरकार का दृष्टिकोण यह भी है कि पिछड़े हुए प्रदेशों को औद्योगिक तरक्की के लिए विशेष अवसर दिये जायें?

श्रीमती सुशीला रोहतगी पिछले 27 साल में क्या हुआ है और क्या नहीं हुआ है, इसके बारे में विभिन्न लोगों के अपने-अपने दृष्टिकोण और अपने-अपने विचार हो सकते हैं। लेकिन इस

बारे में सब बातें पहले उत्तर में आ चुकी हैं।

SHRI D. N. TIWARY: With all the good intentions and the avowed objectives of the Government, it seems that the Government is incapable or incompetent to give effect to its intentions or objectives. May I know whether Government is incompetent or incapable of doing this and if not, whether they think that the regional disparities will be removed by starving the backward areas?

SHRIMATI SUSHILA ROHATGI. I am afraid I do not contribute to any of the things mentioned by the hon. Member, though he is a senior member, about the avowed intentions and objectives of the Government. I think, the sum total of the entire thing is that special efforts have been made, are being made and will be made.

SHRI D. N. TIWARY. What is the result?

SHRIMATI SUSHILA ROHATGI. Why result there? (Interruptions)

AN HON. MEMBER. What about Bihar and Orissa?

SHRIMATI SUSHILA ROHATGI. Why not U.P.? We are conscious of these things. (Interruptions)

Unless we have the intention, we do not know how we can have the determination. Both intention and determination are there. The implementation is there, though there is certainly a scope for improvement.

श्री भागवत झा आजाद . अध्यक्ष महोदय, या तो इस पर और सप्लीमेंटरीज एलाऊ कीजिए, या इस विषय पर डिस्कशन एलाऊ कीजिए। एक तरफ तो मिद्वान्त के नाम पर हम को एक घंटे से ये बातें पिलाई जा रही हैं, और दूसरी तरफ बेकवर्ड एरियाज उसी तरह बेकवर्ड बने हुए हैं।

Why is it that still Assam, Bihar and Bengal are industrially backward in spite of all these fine theories? (Interruptions).

श्री नरेन्द्र कुमार साक्षे: इस पर  
डिस्कशन एलाऊ कीजिए।

श्री भगवत झा आजाद: सारा  
पैसा महाराष्ट्र को जाता है।

श्री बसंत साठे: महाराष्ट्र को नहीं,  
बम्बई को।

श्री भगवत झा आजाद: बम्बई को।

SHRI DINESH CHANDRA GOSWAMI:  
Sir, I have been trying to catch your eye  
from the beginning.

MR. SPEAKER: I have to look to all  
sides. If you get up every time, I am not  
bound to call you. If all members get up  
on all questions, there is no limit, then  
only one question can be covered. Instead  
of that, why not have a debate on it?

SEVERAL HON. MEMBERS: Yes.

SHRI DINESH CHANDRA GOSWAMI:  
The hon. Minister has stated just now that  
the lack of infra-structure and other rea-  
sons are coming in the way of the develop-  
ment of the backward regions. Is it not a  
fact that whenever these States have de-  
manded for the creation of the infra-structure,  
the Finance Ministry and the Plan-  
ning Commission have always turned out  
the demand on the ground that the infra-  
structure has not sufficient capacity to bear  
the industry. At the same time, when we  
ask for the establishment of industries, we  
are told that the infra structure is not there.  
When we ask for infra-structure they say  
that there is not enough capacity to bear  
the infra-structure. Then how do you expect  
your objectives to be fulfilled? We are  
agitating for years to break this vicious  
circle. May I have a categorical answer from  
the Finance Minister and the Planning  
Commission as to what steps they are taking  
to break the vicious circle?

SHRIMATI SUSHILA ROHATGI: The  
various financial institutions are there . . .

SHRI VASANT SATHE: The financial  
institutions are only for the big private  
people.

SHRIMATI SUSHILA ROHATGI: I assure  
the hon. Member that we are interested  
in the removal of regional disparity and

development of all areas. I come from a  
backward State . . . (Interruptions). I am  
giving you the factual position. We can  
certainly have a debate. I would very much  
welcome it, if you permit it.

Provision in Budget for Payment of Addi-  
tional D.A. due to Government Employees.

\*760 SHRI PRABODH CHANDRA:

†SHRI HARI SINGH:

Will the Minister of FINANCE be pleas-  
ed to state the reasons for not making any  
provision in the budget for the current  
year for the payment of additional three  
instalments of D.A. to Central Govern-  
ment employees which have already fallen  
due?

THE MINISTER OF STATE IN THE  
MINISTRY OF FINANCE (SHRI PRANAB  
KUMAR MUKHERJEE): The entire ques-  
tion of dearness allowance is to be review-  
ed beyond the 12-monthly index level of  
272, according to the Third Pay Commis-  
sion's recommendation. This review is being  
made in consultation with the staff repre-  
sentatives. Pending the outcome of the re-  
view it would not have been realistic to  
make any provision in the current year's  
budget on account of the additional pay-  
ment of dearness allowance.

श्री हरी सिंह. अध्यक्ष महोदय,  
यह जो सवाल है यह केन्द्रीय सरकार के  
लाखों कर्मचारियों की जिन्दगी में ताल्लुक  
रखने वाला सवाल है और सरकार ने  
वादा किया था कि हम मंहगाई भत्ता  
तीन विद्वतों में के अंदर दे देंगे। सवाल  
का जवाब पढ़ने से यह मानूम होता है  
कि केन्द्रीय सरकार अभी किसी नतीजे  
पर पहुंची ही नहीं। सरकारी कर्मचारी  
चाहते हैं कि उन का भत्ता जल्दी में  
जल्दी मिलना चाहिए। तो मैं पूछना  
चाहता हूं कि आखिर वह क्या परिस्थिति  
है, कौन से कारण हैं, क्यों जल्दी से जल्दी  
डिसेशन नहीं ले रहे हैं और उस डिसेशन  
से कितना रायदा उन्हें सरकारी कर्मचारियों  
को देना होगा ?