

of Kerala regarding the reorganisation of their Industrial Testing and Research Laboratory into a multipurpose regional research laboratory. Government are exploring how best the foreign exchange of about 2,50,000 dollars required for the project can be provided. These requirements of foreign exchange are being considered actively in consultation with the Ministry of Finance.

(c) There is one Regional Research Laboratory at Hyderabad.

Failure to utilise Concessions for Development of Backward Districts by State Governments

*234 SHRI RAM BHAGAT PASWAN: Will the Minister of INDUSTRIAL DEVELOPMENT AND SCIENCE AND TECHNOLOGY be pleased to state the reasons why most of the State Governments have failed to utilise the concessions offered by the Planning Commission in respect of the development of backward District?

THE MINISTER OF INDUSTRIAL DEVELOPMENT AND SCIENCE AND TECHNOLOGY (SHRI C. SUBRAMANIAM): The incentives available for development of industries in Backward areas are:—

- (1) Concessional Finance through Central Financial Institutions;
- (2) 10 per cent Central outright grant or Subsidy Scheme, 1971; and
- (3) The Transport Subsidy Scheme, 1971.

* The first mentioned scheme is implemented by Financial Institutions and it is for entrepreneurs to take advantage thereof. The State Governments do not come into the picture.

Under the 10 per cent Central outright Grant or subsidy scheme, the State Governments are the implementing authorities, who publicise the scheme, register units and through the State Level Coordination Committees, sanction the subsidy to eligible industrial units in the selected backward district/area in the State. So far 12 State Governments have sanctioned subsidy of over Rs. 45 lakhs in favour of 205 units.

The Transport Subsidy Scheme applicable to J & K and the North Eastern States is similarly implemented by State Governments. No progress has been reported thereunder yet.

It is perhaps too early to say that State Governments have failed to utilise the concessions or incentives, since after the announcement of the schemes, the States were required to make procedural and organisational arrangements which was a time consuming process. Besides, the Indo-Pak conflict, and natural calamities like serious floods disrupting normal life in the border States of J & K and North Eastern India could have contributed to slowing down of the implementation of the schemes, specially the Transport Subsidy scheme.

Due priority not being given by States to Village and Small Scale Industries

*235. SHRI M. RAM GOPAL REDDY: Will the Minister of INDUSTRIAL DEVELOPMENT AND SCIENCE AND TECHNOLOGY be pleased to state:

(a) whether Planning Commission's review has revealed that the village and small-scale industries have not been assigned deserved priority by State Governments; and

(b) if so, the reasons therefore and the action taken by Government in this regard??

THE MINISTER OF INDUSTRIAL DEVELOPMENT AND SCIENCE AND TECHNOLOGY (SHRI C. SUBRAMANIAM):