

monitoring over utilisation of funds received from international agencies. We can achieve this objective by getting the work done directly either through Panchayats or districts. This way, we can have access to grassroot level.

Foreign investment

*42. SHRI HARIKEWAL PRASAD:

Will the Minister of INDUSTRY be pleased to state :

(a) whether investment made by the foreign companies varies from State to State :

(b) if so, whether the balanced growth of the States is not taking place :

(c) the reaction of the Government thereto ; and

(d) the efforts being made by the Government to persuade foreign companies for the balanced growth of the States?

[English]

THE PRIME MINISTER (SHRI P.V. NARASIMHA RAO)

(a) to (d) . A Statement is laid on the Table of the House.

STATEMENT

(a) Total Foreign Direct Investment varies from state to state, as given in the annexure.

(b) to (d) . Choice of location of projects depends on the commercial judgement of investors. It depends on the availability of adequate and dependable infrastructure facilities such as power, land, water etc. The State Governments also provide incentives and subsidies for attracting investment as industrial development within the state is their responsibility. Many state Governments have been actively encouraging foreign investment through various promotional measures. The Central Government supports and supplements such efforts of all State Governments.

Government constantly reviews the policy framework for foreign investment so as to make it increasingly investor friendly and internationally competitive.

ANNEXURE

STATE-WISE BREAK-UP OF FOREIGN DIRECT INVESTMENT APPROVALS FROM 1.8.91 TO 30.6.95

State	Total Nos.	Investment Approved (Rs. in Crores)
Maharashtra	473	5744.52
West Bengal	101	3701.31
Delhi	241	3575.19
Gujarat	143	2414.45
Tamil Nadu	288	2451.45
Andhra Pradesh	168	1306.29
Madhya Pradesh	61	989.68
Orissa	25	1743.62
Karnataka	208	783.74
Punjab	35	513.62
Rajasthan	87	458.25
Haryana	148	432.08
Uttar Pradesh	123	820.96
Pondicherry	18	115.03
Goa	22	90.92
Chandigarh	10	72.36
Bihar	12	79.29
Dadra Nagar & Haveli	11	47.22
Kerala	36	85.49
Himachal Pradesh	16	279.69
Arunchal Pradesh	2	11.06
Daman & Diu	6	5.48
Andaman & Nicobar	5	0.98
Assam	4	1.50
Tripura	1	0.68
Lakshadweep	1	0.50
*Other (State Not indicated)	1077	9356.13
Total	3322	35081.38

* Location not indicated/finalised by applicant.

[Translation]

SHRI HARI KEWAL PRASAD : Mr. Speaker, Sir, through you, I would like to know from the hon. Prime Minister that in view of the tie-ups for capital investment, will the regional imbalance not increase?

SHRI P.V. NARASIMHA RAO : As has been observed so far, regional imbalance has not increased. I have seen the figures. I did not find any difference while comparing the figures. I have the figures with me.

SHRI HARI KEWAL PRASAD : Mr. Speaker, Sir, the statement presented by the Government shows regional imbalance. It can be clearly observed that effort has been made to develop only those States which are already developed. Mr. Speaker, Sir, through you, I would like to ask the hon. Prime Minister whether the Union Government proposes to launch any programme to bring. The undeveloped States like Uttar Pradesh and Bihar where Central Government has not chalked out any programme to increase the pace of development, at par with the developed States ?

SHRI P.V. NARASIMHA RAO : I don't observe any imbalance from the figures. This programme falls in State List. So, they take the initiative. Now, the Chief Minister of various States have started going abroad and thus make every effort to mobilise maximum capital investment. It is true that some of the States are yet to make a beginning in this direction. In the recent past, the Chief Minister of Arunachal Pradesh also went abroad. We have sufficient resources available there. In this way, a new trend has begun and the Chief Ministers are taking more interest. I think that capital investment will increase on a large scale in those States where it is not today. Haryana and Himachal Pradesh are doing well. A couple of States are very big. Once they start mobilising capital, they will also perform well.

PROF. P.J. KURIEN (MAVELIKARA) : Sir, regional imbalance is a fact of life because earlier there was the licensing mechanism. In those days licences were more concentrated in certain States and, therefore, the other States were actually neglected. One of the aims of liberalisation and allowing direct investment is to correct the regional imbalance also because the investors can go anywhere they want. So, liberalisation policy, we should have seen some positive results in correcting the regional imbalances. But looking at the foreign investment, it is not so in spite of the fact that so many State Governments are trying to attract

investment. That means some more effort is needed. Therefore, I would like to know from the hon. Prime Minister, in view of the fact that the regional imbalance still continues and it is not corrected in spite of liberalisation, whether the Central Government would come forward with certain additional incentives to those States where investments are lacking.

SHRI P.V. NARASIMHA RAO : Sir, with the completion of all the growth centres, I am sure there is going to be enormous improvement. The growth centres are still in the process of being set up. About 69 out of 70 have been located and work is going on. I am expecting that this will be the single most important step in order to attract industries into the backward areas. But even then the habit, the tendency will continue to be to go to places where all the infrastructure is available and that is why the growth centres are concentrating on infrastructures. We feel that in the long run this imbalance will be reduced. There will be several other concessions given like the transport subsidy and so on. We will have to think of more steps. If necessary. But I would be happy if hon. Member come up with more suggestions. I am prepared to listen to them, examine the suggestions and introduce them whenever they are practicable.

[Translation]

PROF. RITA VERMA : Mr. Speaker, Sir, I would like to ask from the hon. Prime Minister as to whether the capital investment being made in our states is for making them prosperous or exploit their natural resources? For example, in Bihar investment orders in 12 cases have been given in which approximately rupees 80 crore will be invested. Is it being done only for exploiting mineral estate of that state?

[English]

MR. SPEAKER : You are asking for the opinion which is not allowed. If you have a question, you please ask.

[Translation]

PROF. RITA VERMA : I am not asking for opinion. I would like to ask from the hon. Prime Minister whether the long term interest of these states has been kept in mind or this is being done to pollute our atmosphere and environment by exploiting mineral wealth, opening tanneries and insecticides factories ? I would like to ask as to whether this aspect has also been kept in mind?

[English]

SHRI P.V. NARASIMHA RAO : Sir, the step of industrialisation in most of these states is so little that there is no question of any long term detriment to the states in any manner. There is enormous wealth available.

[Translation]

Mineral wealth is available, other resources are also available and when you set up an industry based on these resources, these are required more or less. These are to be mined and extracted and if we do not undertake this work then industrialisation cannot take place. But this much guarantee we can give and assure you that such exploitation will not be for a long time which may harm the interests of the state.

[English]

Some amount of exploitation is necessary because that is what it is all based on. If we have to take the resources out and have industries established on the basis of those resources, evidently, the total amount of that resource is going to be reduced unless we are able to find new resources. But to say that in the long-term, there is going to be total depletion of the resources, we have taken care to see, I am taking care to see particularly in the case of iron ore for instance, that the best iron ore that we have in this country, is not allowed to be frittered away in the foreseeable future. May be for the next hundred to 150 years it would come. We have taken care to see how much we are taking out for the industrialisation, how much out of the deposits is being utilised.

SHRI KIRIP CHALIHA : Sir, regional imbalance had been a matter of deep concern for us even during the time of the controlled economy. While I do not want to link the benefits of economic liberalisation to regional imbalance, the fact remains that the amount of foreign investment coming to different States varies from State to State. As a result, the general feeling in the North-East, in the States like Assam is that whereas certain areas are becoming models of the Indian progress and Indian economic prosperity, the States like Assam in the North-East are becoming the dumping ground of Indian civilisation. This feeling has already been there. In fact, the main point of alienation is this. Now this has been reinforced by interested people. I know the amount of initiative the Prime Minister is taking in bringing up industrialisation in Assam and in other States. In spite of that, the fact remains that the foreign investment is not coming to the States. The

Indian businessmen are reluctant to go to the States. The infrastructural difficulties are the main impediments for this. Has the Central Government formulated any emergent plan to tackle the situation to see that the deterioration does not take place any further?

SHRI P.V. NARASIMHA RAO : We are faced with something like a vicious circle. If you do not have infrastructure, industries will not go there. Therefore, you must have industries of infrastructure first. That is what we are trying to do in the case of the North-East. We have deposits of gas, for instance. We have just started one or two projects, power projects based on gas. But many more are needed. So, infrastructure industries are our first priority not only in the North-East but everywhere because they will be necessary for further industrialisation. So, this vicious circle has to be cut somewhere and we are doing it by taking up a massive programme of power production in this country. We are paying enough attention, in fact, a little more attention to the North-East. But, Sir, as is obvious, these big projects take some time. They are mega projects. They take some time. There are some policy decisions where we may find difficulties. All those are being got over. Once things start up, I think, we will have a continuous flow of infrastructure industries coming in the country. But we are going through the teething troubles. I am sure that in the next few months, it will be possible for us to see the end of those teething troubles and everything will be smooth thereafter.

SHRI NIRMAL KANTI CHATTERJEE : I will not ask that question about the balanced growth etc. because we know that we have abundant planning and we have moved into an indicative planning and also much concern has been expressed about it. I am not referring to resources also as Baila Dela etc., has already been mentioned. Part (a) of my question is : How much of these approvals have really fructified? Part (b) of my question is : How many of the proposals for foreign investments have been rejected and on what grounds? Are there sufficient grounds for rejection? And Part (c) of my question is : How many of these direct foreign investments are associated with, or because of, technology? What fraction is connected with technology? What fraction is not connected with technology but connected with the take-over of companies which is just an addition to our savings in terms of foreign savings being imported? This is what I want to know.

SHRI P.V. NARASIMHA RAO : To answer these kinds of questions - to say how much of it is technology, how much of it is capital it is very difficult to analyse each industry and say that we have taken

this for technology and we have taken this for capital. We go into all the factors. There is a mechanism for that. They take all these things into account and they feel if they are necessary for ourselves, for our country. That is all.

SHRI NIRMAL KANTI CHATTERJEE : We want to know the details of it. We want to know whether you take these things into account.

SHRI P.V. NARASIMHA RAO : We do that. We do take these things into account. That is why, I may inform the House once again - I think, I have done so several times before - that more than 80 per cent of the industries coming here from abroad are based on infrastructure. They are only infrastructure industries.

SHRI NIMAL KANTI CHATTERJEE : How many have been turned down and on what grounds?

SHRI P.V. NARASIMHA RAO : I do not have the exact number of how many have been turned down. I remember only one having been turned down only day before yesterday. But before that, you might have been turned down even without the matter coming to my level. This is possible and I can give all the numbers and the details.

[Translation]

SHRI MOHAN SINGH (DEORIA) : Mr. Speaker, Sir, Hon. Prime Minister has stated in his reply that the capital investment in the states is being made according to the commercial convenience of the foreign investors.

MR. SPEAKER : He has not stated this.

[English]

SHRI P.V. NARASIMHA RAO : Commercial judgement, we have said.

[Translation]

SHRI MOHAN SINGH (DEORIA) : He has stated this in the beginning that it depends upon the commercial judgement of investors. The geographical conditions of Central India, particularly Bihar and Uttar Pradesh are not convenient to any investor. You can reach Washington by plane within the same time as is required to reach Patna from here. There is no aircargo of international level in Patna, nor you can construct international airport there. No transport facility is available there. That is why, in spite of all the efforts made by the Chief Ministers, possibility of capital investment in central India is lesser than our

coastal areas. Therefore, it is proved from data that the capital investment made in the big states like Uttar Pradesh and Bihar is Rs. 820 crore and 79 crore respectively whereas capital investment in Maharashtra alone has been rupees 5744 crores. These data show that if in the coming time we want to make development in the industrial sector with foreign capital investment, it is certain that the states which are backward at present will certainly remain backward. In view of this, I would like to know from the hon. Prime Minister as to whether the Government has any national capital investment plan to bring such states at par with the advanced states and which are not able to attract foreign exchange equal to advanced states?

SHRI P.V. NARASIMHA RAO : I do not accept this hypothesis that those States which are in the middle of the country are necessarily going to lag behind. So there is no question of my accepting it. It is not true. Industries have come in Uttar Pradesh also in the past. It is quite possible that there may be certain periods where there is a lag behind and all. But I do not agree that either in Rajasthan or in Uttar Pradesh or in Bihar or in Haryana - all hinterland States - no industrialisation is possible. This is disproved by Haryana and this is disproved by Himachal Pradesh. So, I will not be able to answer anything on the basis of that hypothesis.

[Translation]

SHRI RABI RAY : Mr. Speaker, Sir, it is an important issue from the point of view of the country's future. I believe that the hon. Prime Minister will agree with me that the multinational companies are swallowing indigenous industries. The soft drink industry is one of the examples and hon Prime Minister is well aware of it and I would like to know from the hon. Prime Minister that when the indigenous industries are being dominated by the foreign companies then what is the use of this industrialisation, Rs. 35 thousand crore has come in the country as foreign investment since 1991. The most important need of a poor country like India is of employment opportunities. I would like to know from the hon. Prime Minister, as to whether he has made any study in regard to the effect of this foreign investment of Rs. 35 thousand crore on the employment opportunities in the country? My question is that what is the increase in job opportunities and how many new jobs have been created.

SHRI P.V. NARASIMHA RAO : Sir, the foreign investment approved runs into about Rs. 35,081 crore and meanwhile during the same period the domestic

investment amounts to Rs 4,04,727 crore. Sir, I do not see anybody is swallowing anybody else. Then, the total number of 2,078 Letters of Intent have been issued, envisaging a total investment of Rs. 58,149 crore in the private sector in industries where licences are needed. Therefore, the total is.....(Interruption)

[Translation]

SHRI RABI RAY : The hon. Prime Minister has given an example of soft drink industry. I would like to know the details in this regard.

SHRI P.V. NARASIMHA RAO : They have invested Rs. 5 lakh crore and we have invited a foreign capital investment of Rs. 35 thousand crore only. You will come to know that none is swallowing anyone. Our people are very happy and they express their happiness whenever they meet us.. (Interruptions)

[English]

About employment, Sir, some calculation has been made. We have arrived at the figure(Interruptions)

SHRI NIRMAL KANTI CHATTERJEE : World Bank has commented about tempo.

SHRI P.V. NARASIMHA RAO : About 41 lakh jobs which have been calculated have been created as a result of the investment decision and from that we have called out this figure.

Leakage of Radioactive Water

*43. SHRI LOKA NATH CHAUDHURY :

DR. LAXMINARAYAN PANDEYA :

Will the PRIME MINISTER be pleased to state :

(a) whether the International Atomic Energy Agency and the Atomic Energy Regulatory Board had known about the leak of radioactive water in Tarapur for more than a month before it hit the world headings;

(b) if so, the reasons why the information was kept secret;

(c) whether India and US have agreed on nuclear safety aspects;

(d) if so, the details thereof ;

(e) whether any responsibility has been fixed for this accident;

(f) the action taken by the Union Government to control the leakage of radioactive waste water and loss suffered due to leakage; and

(g) the steps taken by the government to compensate the victims/displaced farmers?

THE MINISTER OF STATE IN THE PRIME MINISTER' OFFICE AND MINISTER OF STATE IN THE DEPARTMENT OF ATOMIC ENERGY AND DEPARTMENT OF SPACE AND MINISTER OF STATE IN THE MINISTRY OF SCIENCE AND TECHNOLOGY (SHRI BHUVNESH CHATURVEDI) : (a) to (g) A Statement is laid on the Table of the House.

STATEMENT

(a) The Atomic Energy Regulatory Board (AERB) knew about the incident in which some radioactive water leaked out of the Waste Immobilisation Plant at Tarapur. The AERB had reported the incident to the IAEA.

(b) There was no need to publicise the event, since systematic measurements had clearly established that this incident had not resulted in any radiological impact in the public domain, the release having occurred well within the premises of the plant.

(c) and (d) India and the U.S. discussed nuclear safety aspects during the visit of energy Secretary Ms. Hazel O' leary to India in July 1994 and February 1995 and it was agreed that both sides should identify areas of cooperation in the field of nuclear technology, particularly nuclear safety.

(e) The incident is a minor one and has been categorised at the lowest level, i.e., No.1 in the international nuclear events scale of the International Atomic Energy Agency. There is a standard procedure for reviewing such incidents through standing safety committees constituted by the AERB. By its nature, it cannot be attributed to the fault of any particular individual.

(f) As soon as it was detected, the affected area, which is well within the premises of the plant, as well as the source of leakage, were isolated. The contaminated soil of a small area was removed. There has been no loss on account of this incident.

(g) The question of compensation does not arise as the investigation clearly show that the incident was of a minor nature and occurred entirely within the