

LOK SABHA DEBATES

LOK SABHA

Wednesday, August 10, 1994/
Shravana 19, 1916 (Saka)

The Lok Sabha met at
Eleven of the Clock

[MR. SPEAKER *in the Chair*]

WELCOME TO PARLIAMENTARY DELEGATION FROM NAMIBIA

[English]

MR. SPEAKER: Hon'ble Members, at the outset, I have to make an announcement. On my own behalf and on behalf of the Hon'ble Members of the House. I have great pleasure in welcoming His Excellency Mr. Kandy Nehova, Chairman of the National Council of the Republic of Namibia and Members of the Namibian Parliamentary Delegation who are on a visit to India as our honoured guests.

The other Hon'ble Members of the Delegation are:—

1. Mr. Fidelis Antonius Sheyapo
2. Mr. Sitore Huiseb
3. Mr. Vilho Kamanja
4. Mr. Josephine Hamutwe
5. Mr. Nehemia Kaatura

The Delegation arrived Delhi on 9 August, 1994 morning. They are now seated in the special box. We wish them a happy and fruitful stay in our country. Through them we convey our greetings and best wishes to the President, the Prime Minister, the Parliament, Government and the friendly people of Republic of Namibia.

DR. VISHWANATHAN KANITHI (Srikakulam): Sir, I want to raise an important issue. Today is the Birth Anniversary of one of our former Presidents.

MR. SPEAKER: Let us not do it in that fashion please.

11.02 hrs.

ORAL ANSWERS TO QUESTIONS

[English]

MR. SPEAKER: Question No. 241 - Shri Rameshwar Patidar - Not present.

Shrimati Sheela Gautam - Not present.

Question No. 242 - Dr. Krupasindhu Bhoi.

Licensing Policy

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*242. DR. KRUPASINDHU BHOI:
SHRI SOMJIBHAI DAMOR:

Will the PRIME MINISTER be pleased to state:

(a) whether the Government propose to revise the licensing policy for the development of the industrially backward States;

(b) if so, the details thereof; and

(c) if not, the manner in which the Government propose to develop these States particularly Orissa and Gujarat?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (DEPARTMENT OF INDUSTRIAL DEVELOPMENT AND DEPARTMENT OF HEAVY INDUSTRY) (SHRIMATI KRISHNA SAHI): (a) No, Sir.

(b) Does not arise.

(c) Industrialisation of any State is primarily the responsibility of the concerned State Government. However, the Central Government is operating a Growth Centre Scheme with provision of infrastructural facilities like power, telecommunication, water and banking so that they act as focal points for industrialisation. Under this Scheme, Orissa and Gujarat have been allotted four and three Centres respectively. In addition, a five year Income Tax holiday has been announced in the Financial Bill, 1994, for units to be set up in backward districts of the country.

DR. KRUPASINDHU BHOI (Sambalpur): Hon. Speaker, Sir, I would have congratulated the hon. Minister because according to the Industrial Policy Resolution generally the backward States should have been given the maximum incentives like growth centres, infrastructural development and other things. But I am sorry to say that the Industrial Policy Resolution has not been implemented in letter and spirit. Though it

is a State subject, yet the Centre has to come to the rescue of the States. IEM (Industrial Entrepreneur Memorandum) reveals that four industrially developed States - Maharashtra, Gujarat, Haryana and Uttar Pradesh - have cornered 55 per cent of the total investment for the last three years after liberalisation and other 26 States and Union Territories have to content with 44 per cent. So, basing on this figure, I would like to know whether the Government is going to revise the policy formulation to help the backward States.

[Translation]

SHRIMATI KRISHNA SAHI. Mr. Speaker, Sir, the hon. Member has asked about the steps taken by the Government for Industrial development in backward areas. He has also mentioned about foreign investment. I would like to inform the hon. Member that from January, 1993 to June, 1994 the proposals of foreign capital investment worth Rs. 788 crore have been approved for Orissa. The place of Orissa State is fifth in respect of capital investment made in different States during the period. So far as our policy is Governments accordingly. We create infrastructure only but primarily infrastructure only but primarily responsibility lies with the State. We have started a district Growth Centre Scheme for providing basic facilities like electricity, telecommunication, Banking etc. Our new policy of capital investment and subsequently new licensing policy have not affected this scheme. After delicensing policy, there has been a decline in the proposals for backward areas. After delicensing policy we have received 40 per cent proposals for the backward areas whereas earlier it was 45 per cent. Therefore, there is no much difference. As I have stated that the place of Orissa is fifth in respect of foreign

capital investment. As regard to Adivasi or backward areas our Government have taken several steps for providing all sorts of concessions about which I have already given information.

[English]

DR. KRUPASINDHU BHOI: I come from Orissa. So I want to know what is the amount of money which has been availed of by the Orissa Government under Transport Subsidy Scheme. How many growth centres and infrastructural development schemes have been sanctioned in how many years? I would also like to know from the hon. Prime Minister and the hon. Minister about the major and medium industrial projects to be set up in Orissa which are pending with the Government of India. How many have been cleared? What more benefits will be given to the State? In Orissa, which is one of the backward States, the growth rate had gone up during the last Government's tenure after giving Rs. 10,000 crore. Now the growth rate has gone down by 2 per cent.

Will the Government of India come to the rescue of the people of Orissa with a public sector undertaking in the State to generate more jobs?

MR. SPEAKER: Well, if the Minister can give all these statistics, she is welcome.

SHRIMATI KRISHNA SAHI: No, Sir, I cannot give all these statistics, but I can only give the details about the district growth centres, which have been started.

DR. KRUPASINDHU BHOI: You can give them Madam.

[Translation]

SHRIMATI KRISHNA SAHI: Mr. Speaker, Sir, in Orissa four places—

Chatarpur, Choudwar, Chotwara and Kisinga—have been selected for setting up four Growth Centres for industrialisation and providing other infrastructural facilities. State's reports regarding these four places have been accepted. Project report of Chatarpur has been received recently which is still under consideration of the lead agency. Rs. 50 lakh has been given to each of these three centres. After that demand for more funds were received from the State Government but because of the non-development of these centres, funds have not yet been released. Four Growth Centres have been sanctioned. The project report of Kisinga has not yet been received. It has also been proposed to set up growth Centre at Dubari instead of Choudwar and it is also under consideration of the Government. As I have said that Rs. 50 lakh has been allocated in each of the three centres except Kisinga centre.

SHRI SOMJIBHAI DAMOR: Mr. Speaker, Sir, my question was whether the Government propose to revise the licensing policy and the reply has been given in negative. On the one hand the Government is talking about liberalisation and on the other it does not want to change its licensing policy. I would like to ask about alcohol industry in particular that many proposals for setting up potable alcohol and industrial alcohol industries have been pending with the Government for last 4-5 years but no action is being taken by the Government on these proposals. I would like to ask the number of persons to whom employment has been provided by the Government particularly in Adivasi areas and backward areas under Liberalisation policy? How long the existing subsidy, being provided by the Central Government or the State Government, will continue. Now-a-days Adivasi youth are inclining towards

nalaxism. With a view to provide employment to them I would like to know whether the Government has any scheme to provide employment to 2-3 lakh persons every year and if not, whether the Government propose to formulate such scheme?

SHRIMATI KRISHNA SAHI: Mr. Speaker, Sir, as I have already said under industrial policy the Government of India does not provide any concession or incentive to any caste or class in particular but we have taken several steps for the development of backward areas and several concessions have been given to these areas. As I have said that earlier Central Investment subsidy scheme was there in 1988 and after that a scheme of district growth centre was started. Under this scheme emphasis has been laid on the development of infrastructural facilities. The hon. Finance Minister has also declared in the Budget speech for 1994-95 year that income tax concession would be provided in backward areas. Many such incentives are given to attract Entrepreneurs and, through infrastructural development to set up industries in backward areas.

[English]

SHRI PRITHVIRAJ D. CHAVAN: The Central Growth Centre Scheme is one of the Schemes through which we seek to redress the imbalance in industrial development. There are disturbing reports that this Scheme is not getting off the ground.

The Centre is not providing funds to the States; the States are not enthusiastic about it; the States have not put up the matching funds required to do their part of the work; and so, the Central Government is having a rethinking about the whole scheme. So, we would like to be assured

by the Minister about this. I would also like to ask the Minister as to whether they can categorically state that the Central Government has no plans to drop the scheme and that whatever tardiness is there in implementing the scheme will be sorted out by consulting the State Governments.

[Translation]

SHRIMATI KRISHNA SAHI: Mr. Speaker, Sir, I agree with the hon. Member that as and when any review of this scheme is done, it is found that there are certain practical difficulties. These difficulties are there because under this scheme expenditure has to be born by the Central Government, State Government and All India Financial Institutions. Due to the lack of resources at the Centre and State levels, the progress of this growth centres scheme is very slow. All states are not in a position to raise Rs. 10 crore per growth centre from the market as per the provision of the scheme. In some cases there is problem of land acquisition. We have taken a very important step in this regard. We have arranged a meeting of the Chief Ministers, who were also incharge of industry department, and Industry Ministers of the States in September-October, 1993 to review the progress of this scheme. This matter was again discussed with the Industry Ministers in a conference. We have arranged a meeting in our office alongwith the Chief Secretary of the Prime Minister's office. As a result of it, a review committee was constituted. It has almost prepared its report and the Secretary I.D. has had a meeting with the Chairman of All India Financial Institutions. Some states are doing well. It has been recommended in the report that the financial institutions would release funds for those states where growth centres are progressing well. Such assurance has

been given there. The States where growth centres are progressing well have been allocated funds in three instalments. But the problem is being faced with those States which are not doing well, and that is why we are not able to do anything.

SHRI SURYA NARAYAN YADAV: Mr. Speaker, Sir, Bihar is an industrially backward State and the hon. Minister also belong to that State. Sir, through you, I would like to know the number of districts in Bihar where growth Centres have been set up and what progress has been made by these centres.

SHRIMATI KRISHNA SAHI: Mr. Speaker, Sir, you would excuse me for what I would like to say. I am over weight and equivalent to my over weight I wrote letters to the Chief Minister of Bihar. After the formulation of our new policy we have had our first meeting in Bihar and I told him that we want to rise about the party politics for the development of Bihar and you should cooperate with us. But no letter is replied by the State Government and that is why there seems to be no hope for any progress. Even then we arranged, on our own, three meetings with the Chief Secretary and Secretary Industry of Bihar State. As a result of it six industrial centres have been sanctioned in Chhapra, Muzaffarpur, Hazaribagh, Bhagalpur, Darbhanga and Begusarai. There were certain quarries about them and there replies have recently been received by ICIFCI and are under consideration. We have called meeting on 22.8.94 in which the Chief Secretary and Secretary Industry have promised to attend and they have also assured that they would implement it soon *(Interruptions)**

[English]

MR. SPEAKER: It is not going on record.

SHRIMATI CHANDRA PRABHA URS: The policy of the Government is to see that they encourage the entrepreneurs especially in the light of the liberalisation policy of our Government.

The number of unemployment youth in our country is quite alarming. I think, the Government has to revise the policy because it has to streamline some of these processes, procedures and technicalities. The unemployed youth in groups would like to take up new ventures with all these facilities from a single window agency which they had thought of earlier.

What has happened to that policy which is being implemented? How many small industries have they been able to set up in Karnataka in 1993-94 and 1994-95? What is the progress?

Unless we simplify these things and encourage the young entrepreneurs, it is very difficult for them to come forward. As our hon. colleague has just now rightly put it up, it takes a long time. It is a tedious procedure. If the financial institutions give the finances, it goes on adding up to the interest amount by the time they start with other facilities, like water, electricity, land, raw materials and things like that. They have to do something about it. They have to think of it seriously to revamp or revive...

MR. SPEAKER: Your supplementary should come out of the main question.

SHRIMATI CHANDRA PRABHA
URS: Yes, Sir.

Maharashtra, Gujarat and Madhya Pradesh are performing well. I have details about these three leading States.

MR. SPEAKER: It is not coming out.

SHRIMATI CHANDRA PRABHA
URS: So, I would like to know from the hon. Minister how many new industries have they been able to start in 1993-94 and 1994-95 in Karnataka. What steps have been taken to streamline and simplify these things through the single window agency which they had thought of earlier?

[*Translation*]

SHRIMATI KRISHNA SAHI: Mr. Speaker, Sir, at present I am not in a position to give details about different States. I have a list where single window facilities have been provided and if the hon. Member desires I can give it to him. As he has asked about new units I would like to inform that there are three district Growth centres in Karnataka i.e. in Dharwad, Hassan and Raichur. Rs. 3 crore has been given to Dharwad and Rs. 2 crore to Raichur. The work is going on and the progress made by these centres.

[*English*]

SHRI ANKUSHRAO RAOSAHEB
TOPE: Mr. Speaker, Sir, I want to know from the hon. Minister through you that after adoption of the delicensing policy, which State has attracted the maximum number of industries. What is the number of industries? What is the number of industries? What investment has been done in the other industries in that State.

[*Translation*]

SHRIMATI KRISHNA SAHI: It is a wide question. Among all States

SHRI MRUTYUNJAYA NAYAK: Sir, it is an admitted fact that our Minister is a heavyweight person in writing letters. I would not have any comment on this. But the point is about the backward State and backward districts like that of mine. Uptill now, my district has got no industry at all. Therefore, the Government of Orissa has declared it as 'no-industry district'. So, in view of that, what is the priority? Is the Government in a position to consider giving priority not only to a backward district but also to a district where there is no industry and has been declared as 'no industry district'?

[*Translation*]

SHRIMATI KRISHNA SAHI: I have already stated that in 53 places the industrially backward districts were cleared for setting up industrial centres. There are 12 'no industry areas'. Industrial centres have been set up there. Transport subsidy schemes are being launched in the hilly areas. The holiday has also been given to them. The no industry concept existed in 1988. Thereafter, we launched the scheme of district growth centres. I was abandoned because it was a two crore rupees scheme. Now, we have formulated a major scheme.

SHRI HARPAL PANWAR: Small scale industry and cottage industry play a vital role in the industrial development of a State and a country. Though the Government has given many concessions to them yet we see that most of the small units set up whither away gradually. Does the Government have any information as to why these units whither away?

MR. SPEAKER: We are not discussing the whole lot of industry. The main question is that in order to set up industries in the Industrially backward areas, some change should be brought about in the licence policy.

[English]

SHRI P.C. CHACKO: Sir, in the reply given by the hon. Minister, only two aspects are highlighted for industrial developments in the backward districts, viz., one is the tax holiday and the second is growth centres. A number of incentives were given by the Central Government, like the Central Investment Subsidies and the Price Preference Schemes. Does it mean that all the concessions that were extended by the Central government for industrialisation of the backward areas have been stopped completely? Sir, the Minister is speaking about the growth centres. In any State, not a single growth centre has been taken off.

The Central Government had been giving a number of benefits like the Investment Subsidy, the Price Preference Scheme and the Technical Assistance Scheme for the development of the backward areas. What about those concessions?

MR. SPEAKER: He has referred to some concessions that were given by the Government; and he wants to know whether you are going to continue these concessions or not.

[Translation]

SHRIMATI KRISHNA SAHI: Mr. Speaker, Sir, we have already discussed the concessions. We are also giving certain incentives on select basis and continuing them through the policy of

infrastructural development and with regard to the growth centres, as mentioned by the hon. Member, they are doing good work at places.

SHRI RAJNATH SONKAR SHASTRI: Mr. Speaker, Sir, Uttar Pradesh is one of the States that have been allocated 55 per cent funds for the development of backward States. Eastern Uttar Pradesh is a densely populated and industrially backward area. I may tell you that in 30-35 districts of Eastern Uttar Pradesh, there is no big industry and the small scale industries are in a bad condition. Therefore, I would like to know from the hon. Minister whether growth centres are being run or there is any scheme to run these in the Industrially backward districts of Eastern Uttar Pradesh, such as Mirzapur, Gazipur, Jaunpur, Azamgarh etc.?

SHRIMATI KRISHNA SAHI: Mr. Speaker, Sir, I do not know the position of districts, separately but I can tell you about Uttar Pradesh as a whole.

MR. SPEAKER: You give him in writing please.

[English]

Question No. 243.

Shri Dileep Bhai Sanghani — Not present.

Dr. Mumtaz Ansari — Not present.

Public Sector Accountability

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*244. SHRI TARA SINGH:
SHRI V. SREENIVASA
PRASAD:

Will the PRIME MINISTER be pleased to state: