

had little effect on generating employment in backward regions. The scheme does not meet the desirable objective of dispersal of economic activity but can lead to non-optimal location of industries. It has therefore been decided not to introduce freight equalisation in respect of any new item like coal, cotton, etc.

(b) In the light of the representations received from various State Governments, the Government have reviewed the earlier decision of lifting freight equalisation on iron and steel and decided to refer the matter to the National Development Council.

(c) The freight equalisation policy in respect of a commodity benefits the States located far away from the sources of the commodity. The benefits derived by the individual States in respect of each raw material have not been worked out.

"Pollution from Sugar Mills"

2454. SHRI MOHAN BHAI PATEL:
SHRI CHINTAMANI JENA:
SHRI KALI PRASAD PANDEY:

Will the Minister of ENVIRONMENT AND FORESTS be pleased to state:

(a) the number of sugar mills identified in the country as pollution causing units;

(b) the steps Government have taken to check this pollution,

(c) whether some sugar mills have been found guilty of violating orders/instructions of the Pollution Control Boards; and

(d) if so, their names and what action has been taken against them; and

(e) the guidelines issued to the new sugar mills which are under construction against the pollution?

THE MINISTER OF STATE IN THE MINISTRY OF ENVIRONMENT AND FORESTS (SHRI Z.R. ANSARI): (a) There

are 276 sugar mills in the major and medium sector, out of which 120 units have not installed effluent treatment plant

(b) The Central Pollution Control Board in consultation with State Pollution Control Boards have evolved Minimum National Standards for sugar industry and the units are expected to comply with these standards. The Central and State Pollution Control Boards are persuading the industries to treat their effluents to the prescribed standards. Legal action is taken against the recalcitrant industries.

(c) and (d). Information is being collected and will be laid on the Table of the House.

(e) The new sugar industrial units have to take the following pollution control measures:

(i) Construction of lined molasses storage tanks of adequate capacity; and

(ii) Adequate treatment facilities for the effluents to comply with Minimal National Standards prescribed.

Interest on Gold Loans

2455. PROF. K.V. THOMAS: Will the Minister of FINANCE be pleased to state:

(a) whether the interest on gold loans given by the scheduled nationalised banks is fixed;

(b) if not, the extent to which it can vary; and

(c) whether Government are aware that some of the scheduled banks are collecting additional charges like insurance, safe custody for gold loans?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) and (b). Interest rates are charged by the banks in terms of Reserve Bank of India's interest

rates directives on the basis of purpose, category of the borrower and quantum of advance and are not related to any type of security including gold. Interest rates against gold ornaments may vary from 10 per cent per annum for minor irrigation to 16.5 per cent per annum for short term advances of more than Rs. 25 lakhs given to small scale industries.

(c) Reserve Bank of India has reported that they have not issued any specific instructions regarding additional charges. However, banks generally recover actual insurance fee etc. Reserve Bank of India has also reported that charging of safe custody charges for loans where gold ornaments are pledged as security have not come to their notice.

States Neglecting Environment

2456. SHRI LALITESHWAR PRASAD SHAHI:

SHRI BANWARI LAL PUROHIT:

Will the Minister of ENVIRONMENT AND FORESTS be pleased to state:

(a) whether despite repeated guidelines and instructions issued by Union Government, the State Governments are not taking any steps in regard to environment; and

(b) if so, the details of the guidelines issued during the last two years and steps taken to speed up the programme of environment in the country?

THE MINISTER OF STATE IN THE MINISTRY OF ENVIRONMENT, AND FORESTS (SHRI Z.R. ANSARI): (a) and (b). A Statement is given below.

STATEMENT

It is not correct to say that State Governments are not taking any steps in regard to protection of environment.

The guidelines issued in last two years and

the steps taken to speed up the environment programme in the country are listed below:

- (i) All the States had been requested to have a separate Department of Environment and not combine it with any development department so as to avoid conflict of interest. They were advised to combine it with forests. 23 States have set up Departments of Environment. Three have combined the Department of Environment with Forests. Six have independent departments. Ten have combined it with Science and Technology.
- (ii) The States were advised to set up broadbased Environment Protection Councils under the Chairmanship of the Governor to promote the cooperation of all concerned in the protection of environment. Five States have so far set up such Councils and seven more have agreed to do so shortly
- (iii) The Environment (Protection) Act is brought into force from 19th November, 1986. Rules have been framed under the Act and powers delegated to the States. The Air (Prevention and Control of Pollution) Act, 1981 and Water (Prevention and Control of Pollution) Act, 1974 are being amended to strengthen the implementation.
- (iv) A National Environmental Awareness Campaign is conducted every year.
- (v) Compensatory afforestation is one of the most important conditions stipulated by the Government in approving proposals for diversion of forest land for non-forest uses.
- (vi) Any proposal for diversion of forest land for non-forest use has to be accompanied by a costbenefit analysis in terms of ecological losses and economic and social gains.
- (vii) The use of forest land for raising plantations by private industries for