

my first questions is, whether there would be any sort of action taken to reorient the whole method of functioning of the bank or the attitude of the personnel working in the rural regional banks. Without changing this, simply giving money would not serve the purpose of the rural population. There is also another thing, to ensure that a certain percentage of saving mobilised through the banking institutions is actually spent in the rural areas. The previous government has already fallen short of the targets which it had set for itself. Would you be able to actually improve the amount allocated to the rural areas? The credit deposit ratio should improve as far as the rural areas are concerned. Can you do something about it?

PROF. MADHU DANDAVATE: I fully share the perspective of the hon. Member that the style of functioning in the rural sector is to be basically different from the style of functioning of the bank which is in the urban areas. For instance, in rural areas, it is necessary that their specific conditions are to be understood while granting them credit facilities. It is exactly because of this reason that the lead banks had been set up as a coordinating agency and on that various interests in the rural areas are represented. I do concede that the style has not sufficiently changed but it will be our constant endeavour to see that in keeping with the habits and the perspective of the rural population, authorities connected with the lead bank will be required to change their style of functioning so that they will be more in tune and in consonance with the habits and the perspective of the rural population.

New Steel Plants during Eighth Plan Period

*85. **SHRI SRIKANTA DATTA
NARASIMHARAJA
WADIYAR:**
SHRI P.C. THOMAS:

Will the Minister of STEEL AND MINES be pleased to state:

(a) whether Government have a proposal to set up more steel plants in the country during the Eighth Plan Period; and

(b) if so, the details thereof including their number, locations and the estimated cost?

THE MINISTER OF STEEL AND MINES AND THE MINISTER OF LAW AND JUSTICE (SHRI DINESH GOSWAMI): (a) and (b). Yes, Sir. There are proposals to set up two steel plants, one near Bellary in Karnataka and other near Daitari in Orissa. These proposals would be considered for finalisation along with other investments in the VIII Plan.

SHRI SRIKANTA DATTA NARASIMHARAJA WADIYAR: I am glad to learn from the reply of the hon. Minister that two steel plants, one near Bellary in Karnataka and another near Daitari in Orissa are proposed to be set up during the 8th Plan. In this connection, I would like to know from the hon. Minister what are the estimated cost of these two steel plants and whether investment decision has been taken.

As far as I know the previous Congress Government had set up Vijayanagar Steel Ltd. and Nilachal Ispat Nigam for expediting the establishment of steel plants near Bellary and Daitari respectively. I would like to know what progress has been made by these two public limited companies with regard to land acquisition, construction of township, staff quarters and other related matters and how long the Government would take to complete these projects.

SHRI DINESH GOSWAMI: I want to make one thing clear. I have never said that these steel plants are being set up. What I am saying is that these are proposals for setting up these two steel mills. The hon. Member knows that so far as the two steel plants near Vijayanagar in Karnataka and Daitari in Orissa are concerned, these have chequered carriers. In fact, Vijayanagar plant was conceived as early as in 1970 and in 1971, even before the techno-economic

feasibility report was prepared, foundation-stone was laid and after the foundation was laid, land was acquired, but when the original report was prepared, it was found that there was no resource available in the country to carry these projects through. In 1982 some alternative strategies or alternative technology was thought of and an allocation of Rs. 400 crores were asked for the Seventh Plan. But in the entire Seventh Plan Period, the Planning Commission provided for only Rs. 10 crores new Steel Plants with the result that the projects remained a dream for the people. I do not want to raise the expectations of the people. But the projection of our Ministry is that by the terminal year of the Ninth Plan, we will have a deficit of 2 million tonnes of steel unless we produce steel through these new mills. Therefore we will be sending the proposals before the Planning Commission to set up these two mills. The hon. friend has asked what may be the investment required. According to our projection for the investment, if we can have an investment of about Rs. 1000 crores for each of the mills during the next Plan period then probably we can go ahead. We are not in favour of making an investment of Rs. 10 crores or so and make some nominal exercises. We will not be in favour of that. If we can persuade the Planning Commission and of course my friend Dandavate-ji, for an investment of Rs. 1000 crore for cash then only we go ahead with these projects.

SHRI SRIKANTA DATTA NARASIMHARAJA WADIYAR: My second supplementary is that the Government of Karnataka have offered water and necessary power connections that are required for setting up of the steel plant. Almost about 60,000-70,000 acres of land has been acquired. In view of this, does the Government propose to go ahead with the completion of this project as soon as possible?

SHRI DINESH GOSWAMI: It is not a question of land that has been acquired but the question is whether we would be having sufficient resources to have an additional investment of about Rs. 2000 crores for new steel mills in the coming plan i.e. in the Eighth

Plan. We have already committed in the process of modernisation a few thousand crores of rupees. In the background of the allocation of Rs. 10 crores in the entire Seventh Plan Period for two new steel mills, obviously we would have to do a lot of persuasion with the Planning Commission and the Finance Ministry. Steel is one of the most major items of infrastructure for economic development. It will be unfortunate that in the terminal year or the end of the Ninth Plan period we will not have sufficiency in the matter of demand and supply. Therefore, we will put our projections through. But it will all depend on as to how the ultimate resource position is for the Eighth and the Ninth Plan periods.

SHRI P.C. THOMAS: Sir, Kerala is industrially a backward State. Can the Government take efforts to start a steel industry or some allied industries there?

SHRI DINESH GOSWAMI: Well, as I said earlier, there are two projects—one conceived in 1970 in Karnataka and the other one conceived in 1980 in Orissa. Foundation has been laid in the case of one. In both establishments same staffs are working. We do not have the resources to carry it through. Our survey shows that there are only two green fields i.e. in Karnataka and in Orissa where steel mills can be set up. Therefore, I do not think I am in a position to satisfy my hon. friend.

SHRI BHABANI SHANKAR HOTA: Sir, I want to put a pointed question to the hon. Minister whether the Steel Ministry has considered any Steel plant in Orissa. I am very happy that he has categorically announced about a steel mill in Orissa. I would like to know whether it will be in the place which he has just now given or it will be a shore-based plant. I would also like to know whether he has any time-bound programme because the people of Orissa have been cheated twice by the two former Prime Ministers. Now the people are totally restive and the people of Orissa are not prepared to be cheated again. There must be a time-bound programme that has to be announced by the

hon. Minister. I want an answer whether it can be shore-based plant or in the place in which he has announced.

SHRI DINESH GOSWAMI: I will have to clarify again that I am not assuring the people of Orissa a Steel mill. If they have been cheated by the two previous regimes, I do not like to cheat them for the third time. Therefore, I am very clear. I have furnished some reply. It is a fact that near Daitari in Orissa a steel mill was conceived. I have also pointed out that there are two green fields sites today in which steel mills can be set up and one is near Daitari in Orissa. According to the estimates of the demand and production of iron and steel in the country, there will be a deficit of two million tonnes by the terminal year of the Ninth Plan. We will try to persuade the Planning Commission to give us sufficient investment to set up a steel mill at Orissa. But we will not like to go ahead if only Rs 10 crores or so is given, as was given during the 7th Plan period because we do not want to cheat the people. Therefore if we can persuade them—our effort will be to persuade the Planning Commission—obviously so far as my Ministry is concerned, we are keen that in these two green field sites steel mills should be set up. But that is not dependent on my Ministry alone, that will be dependent on many other factors and an overall assessment by the Planning Commission about the resource position of the country.

SHRI A.N. SINGH DEO: The hon. Minister does not want to give an assurance to the House that there will be a second steel plant in Orissa in the 8th Plan period. But taking into consideration the backwardness of Orissa State of which our Finance Minister has just mentioned and taking into consideration that as far back as 1980 the then Prime Minister not only promised the people of Orissa in big banners during the Pooja holidays, she also wrote that this is the Durga Pooja gift to the people of Orissa, he should do something. For ten years we have waited for the second steel plant. Mr. Speaker, Sir, you are also from Orissa and you must be concerned with Orissa. Therefore for two

consecutive elections the people of Orissa voted for the Congress Party on the assurance of the then two Prime Ministers. Now I want a categorical answer from either the Steel Minister or the Finance Minister that in the 8th Five Year Plan, Orissa shall have a second steel plant.

SHRI DINESH GOSWAMI: The hon. Minister is unhappy that I have not been able to give a straight assurance that a steel mill will be set up in Orissa. If the hon. Prime Minister, the powerful Prime Minister of the country, after giving Pooja gift has not been able to carry it out, how do you expect a poor Steel Minister to give that assurance to the Hon. Member? I have made it very clear that so far as our Ministry is concerned we will try to persuade the Planning Commission and the Finance Ministry to revive this project. But that is all dependent as to how ultimately the next Plan is drawn up. At this stage it is too premature for me to make an assurance. The only assurance that I can give is, so far as my Ministry is concerned, we will try to persuade the Planning Commission to give us sufficient allocation to revive this project.

SHRI R. GUNDURAO: As far as I know this project, Vijayanagar Plant, has been pending for about one and a half decades. The foundation stone for this was laid by the then Prime Minister and many assurances were given by so many Finance Ministers and the Steel Ministry; but so far nothing has been done. Even when I was the Chief Minister in Karnataka I persuaded with all my ability, but I could not get anything from the Steel Ministry or from the Finance Ministry.

I would like to know whether the hon. Steel Minister would categorically say—don't say that you consider—whether it is possible or not possible. If it is not possible, you find out the other means of getting finance. I know very well, the hon. Finance Minister is not in a position to say categorically that he is going to finance this project—I am confident about it. So, my query to the hon. Steel Minister is that if the Planning Commission and the Finance Ministry are not in a position to come to your help, is there any other

source and whether you feel like handing it over to private parties, if they come forward to take up this project. Then, afterwards other modalities can be worked out in consultation with the State Government as well as the Finance Ministry. Otherwise, I am sure this answer will not help and the project will never be taken up for another five years. So, I request the hon. Steel and Mines Minister to say whether he is thinking of handing over the project to any private concern. I want a categorical answer from the Minister.

MR. SPEAKER: Yes, Mr. Minister.

SHRI DINESH GOSWAMI: The hon. Member has asked, "Are you prepared to give it to the private sector?" That is a major policy decision, on which, I do not think, I am in a position to give you the answer right now, because, we have to look into the Industrial Policy Resolution, the policy to be pursued by our Ministry. Therefore, you don't expect me to give an answer right now. (*Interruptions*) It is a major policy decision. (*Interruptions*)

MR. SPEAKER. I have not permitted anyone.

(*Interruptions*)

MR. SPEAKER. Mr. Minister, do you want to say anything more?

SHRI DINESH GOSWAMI: I appreciate what my hon. friend has said. But, that is a major policy decision. It is a shift in the policy itself. I am not in a position immediately, to respond to it. (*Interruptions*)

SHRI R. GUNDU RAO: I only request you to pursue that matter.

[*Translation*]

Promotion of Tea Industry In U.P.

*87. SHRI HARISH RAWAT: Will the Minister of COMMERCE AND TOURISM be pleased to state:

(a) whether any special scheme has been formulated by Government to promote tea industry in Uttar Pradesh; and

(b) if so, the details of assistance provided to the State under this scheme so far?

[*English*]

THE MINISTER OF COMMERCE AND TOURISM (SHRI ARUN KUMAR NEHRU): (a) and (b). A statement is given below.

STATEMENT

The following steps have been taken for promotion of Tea industry in Uttar Pradesh.

(i) A Study was conducted by officials from Tea Board of tea areas in Kumaon hills and Doon Valley of Uttar Pradesh in September, 1987.

(ii) Based on the Study Report and the interaction with the State Government, a two-prolonged strategy is being evolved for the development of the Tea industry in Uttar Pradesh in two phases. This includes:—

(a) rejuvenation of existing tea gardens after ascertaining the cause of their delay; and

(b) identification of new areas in the hilly districts of Uttar Pradesh, including the Terai region, which have the potential for growing tea. With this end in view and based on the suggestion of the State Government. Tea Board has sanctioned the cost of funding and an feasibility-cum-pre-investment study for growing tea in the State, and preparation of a rehabilitation Scheme for six sick tea units for submission of financial institutions.

(iii) Tea Board has included the hilly areas of Uttar Pradesh in the schedule of non-traditional areas for the purpose of extending benefit under Tea Board's