

shall see that the recruitment does not acquire any political colour.

(Interruptions)

**SHRI AMAL DATTA :** So far as the exploration in Diamond Harbour is concerned, the hon. Minister does not know the correct picture. The Diamond Harbour bore was dug as far back as 1979-80. Then for four years, there was no work there. Only lately when the work started, it got on for about three or four months. Thereafter there was a break-down and to clear that break-down, it has already taken nine months and yet it is not cleared. If work is done in this fashion, they will take centuries and not decades to finish the exploration.

Secondly, the Soviets and the Americans were given separate contracts for exploration in West Bengal. Both have submitted their reports. It is stated that both have given very favourable reports. I would like to know first whether the Minister will ensure that the drilling which is going on in Diamond Harbour would be completed without any further hitch by providing proper managerial and supervisory staff which is woefully lacking now and secondly whether the reports submitted by the Americans and Russians specify that there is a belt of 200/10 KM extending well into the sea, which has got the richest oil resources that can be found anywhere in the world.

**MR. SPEAKER :** Can you say that this is a supplementary, Sir?

**SHRI AMAL DATTA :** This is according to the survey made in West Bengal. If the Minister knows the answer, he should give it.

**SHRI CHANDRA SHEKHAR SINGH :** I assure the hon. Members that we are for accelerating the exploration work in West Bengal ; and I would like to inform him that work over one rig is at present going on in Diamond Harbour. We are not abandoning it ..

**SHRI AMAL DATTA :** I have not said that you have abandoned it. But the work is not going on at an accelerated pace.

**SHRI CHANDRA SHEKHAR**

**SINGH :** It is so because they were encountering very difficult conditions in respect of drilling in West Bengal ; but the difficulties will be looked into, will be overcome. We will take the help of the consultants, and try to accelerate the work there.

As far as USSR and the American parties are concerned, I would like to state that earlier, i.e. long back in the late '50s., USSR experts had predicted that West Bengal had very good resources of oil... (Interruptions) Yes ; I said it was so, and it did extend into off-shore areas. But so far, our efforts have not yielded any concrete results. We will continue to do our work there, and we are going ahead with the expectation that our efforts will meet with success.

So far as USSR and Americans are concerned, the former are given the contract. Americans are the consultants. There is no collusion ; there is no conflict between their areas of work. They are there, working wherever necessary in cooperation with each other.

[Translation]

**Facilities demanded by small entrepreneurs**

\*496. **SHRI BALWANT SINGH RAMOOWALIA :** Will the Minister of INDUSTRY be pleased to state :

(a) whether it is a fact that the Associations of entrepreneurs running small and cottage industries have recently requested Government to provide them some facilities in the context of the changed circumstances; and

(b) if so, the reaction of Government thereto ?

**THE MINISTER OF INDUSTRY (SHRI NARAYAN DATT TIWARI) :** (a) and (b). The Government receives from time to time requests from the Associations of Entrepreneurs in the small industries sector for provision of facilities. These requests are examined for appropriate action.

[English]

**SHRI BALWANT SINGH RAMOO-**

**WALIA :** There is widespread resentment amongst small and cottage industry entrepreneurs all over the country because of bringing down the slab... *(Interruptions)* from Rs. 20 lakhs to Rs. 7.50 lakhs. They feel that their future is seriously threatened. Is it correct that 700 small scale and cottage industry entrepreneurs belonging to Uttar Pradesh and many others from other States have complained to Government that they are being compelled to close down their units? *(Interruptions)* The All India Lock Manufacturers Association and the All India Small Scale Manufacturers Association *(Interruptions)* have lodged this complaint.

It is also correct that 50% to 70% of the small scale entrepreneurs have demanded that the units which started with a capital of Rs. 3.5 lakhs should be exempted from Excise duty?

**THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT (SHRI M. ARUNACHALAM) :** A number of representatives from the small scale industries had met us during the last 2 or 3 weeks, and have pleaded for further concession in the light of the recent budgetary announcements.

**MR. SPEAKER :** A written answer to a written question.

**SHRI M. ARUNACHALAM :** We have also taken up this matter at the highest level with the Finance Minister. The Finance Minister has also assured that he would look to their interests. During the Open House discussions held with the representatives of the various associations of small scale industries, the Finance Minister has assured them that their representations would be looked into. The Finance Minister has already made a statement yesterday on the floor of the House, and he proposes to make another statement in the first week of this month. I can assure the House and the hon. Member that Government are very serious about the developments, and the role of small scale sector. We will give all possible assistance to them.

**SHRI BALWANT SINGH RAMOO-**

**WALIA :** He is not answering to my question.

**MR. SPEAKER :** At least I am convinced that it was a very apt thing to have one written question, and one written answer. It was a matching grant.

**PROF. MADHU DANDAVATE :** Your observation should be matching.

**SHRI BALWANT SINGH RAMOO-WALIA :** Already, my question stands insulted at the hands of the Government, because of very brief and evading answer—you can see the written answer—I am compelled to put a written supplementary. Again, through you, I urge upon the government that my specific emphasis on reducing the low clearance limit from Rs. 20 lakhs to Rs. 7.50 lakhs has not been answered by him. Does the government propose to restore invoice value assessment and extend its applicability to cover all exciseable goods to reduce the scope for disputes? And no. 2.....

*(Interruptions)*

**MR. SPEAKER :** No. 2 cannot be twice. After all, it can only be applied once.

**SHRI BALWANT SINGH RAMOO-WALIA :** The ancillary producers who sell their products to big industrialists, who have got good name in the market, are selling the same product at very high prices thus evading the excise duty. What steps is the government going to take to trap those big fish?

*(Interruptions)*

**SHRI M. ARUNACHALAM :** Since the matter pertains to the Finance Ministry, we are taking up the matter with the Finance Minister.

**KUMARI MAMATA BANERJEE :** According to Gandhian philosophy, small is beautiful and according to Marxist philosophy, small is dangerous. Why is it that the small scale industries are not increasing in Bengal and why are entrepreneurs of small scale industries not getting all sort of cooperation from the State

Government? I seek your protection.  
(*Interruptions*)

MR. SPEAKER : Yes. Absolutely.

KUMARI MAMATA BANERJEE :  
The number of unemployed youths is now increasing day-by-day. The Central Government recruitment is now banned. The State Government Employment Exchange Offices are now party offices of CPM. The unemployed youths are now crying on the road and they are totally depressed. Is the government planning to increase the number of small scale units all over the country and specially in West Bengal to boost up the morale of the youths and to make them stand on their own feet?

SHRI SOMNATH CHATTERJEE :  
A very good question. (*Interruption*)

PROF. MADHU DANDAVATE :  
Better nationalise CPM!

SHRI NARAYAN DATT TIWARI :  
I may assure the hon. Member that we are perfectly aware of the employment potential of the small scale industry. Already, the number of employed people in the small industry sector has reached 9 million from 3 million to 9 million in a span of 11 years. I think it is a substantial achievement on the part of the small scale industry. We would like to pursue strengthening of the small industrial sector further and we hope that by the end of the Seventh Five Year Plan, we will have 2 million small industrial units in the country providing employment to about 14-15 million people; we will continue this policy for the State of West Bengal also and we will be discussing this matter with the West Bengal Government also.

SHRI V. SOBHANADREESWARA RAO : Has it come to the notice of the government that even small truck body building units are also suffering because of the recent decision of the government? Apart from body building units suffering financially, the cost of the truck has been enhanced; already the diesel price and tyre prices have increased; the price of everything is increasing. The truck operators are also suffering very much. In

view of this, will the government re-consider their decision in regard to small body building units and restore them to their previous position?

SHRI NARAYAN DATT TIWARI :  
My colleague has already mentioned that we have taken up this matter for intensive detailed discussion with the Finance Ministry. The Finance Minister himself on many occasions and in many forums and in this House also has mentioned that they will be considering this question of taxation on industries in a little depth. It has already been announced that all the small scale industries will have to pay the same rate of taxation and same duties which were available to them on February 28 for the month of March. The new scheme is under the consideration of the Finance Ministry and at an appropriate time it will be announced by the Finance Minister. It is the privilege and prerogative of the Finance Minister to make announcements in this regard.

[*Translation*]

SHRI MANVENDRA SINGH : Due to the fresh excise duty levied in the new Budget on the small industry like shoe industry, in which mostly people belonging to scheduled castes and sheduled tribes are engaged so much so that all members of a family jointly manufacture five pairs of shoes and earn their livelihood, these small manufacturers will not be able to compete with the big industry and as a result thereof, they will face a number of hindrances. In view of this, I would like to ask the hon. Minister whether Government will re-consider their decision so that these people are able to earn their livelihood?

MR. SPEAKER : Manwendraji, I have come to know that you saved the life of a human being. Thank you very much for that.

SHRI NARAYAN DATT TIWARI :  
As the hon. Member is aware that the announcement made by the hon. Finance Minister in the House includes a proposal for exemption upto Rs. 7.5 lakhs. Almost all shoe manufacturers for whom the hon.

Member has expressed his concern are covered in this bracket of Rs. 7.5 lakhs. The case of those shoe manufacturers who are above this limit and are using machines to manufacture shoes like Bata, etc. is of course different and their case will have to be considered from a different angle.

[English]

**SHRI BHAGWAT JHA AZAD:** I want to contest this on the one hand the Government is expressing its anxiety and concern by announcing recently reservation of 20 more items for the small scale sector. The Small Scale Industries Association represented to the Government last year on the eve of the Budget to raise the exemption limit from Rs. 20 lakhs and the Government said that they would consider it, is it as a result of consideration that they have reduced it from Rs. 20 lakhs to Rs. 7.5 lakhs? Am I to understand that your substantial achievement of 3 million to 9 million will be helped by reducing the limit from Rs. 20 lakhs to Rs. 7.5 lakhs? Or do you propose to recommend to your colleague that at least status quo should be restored if not increased?

**SHRI NARAYAN DATT TIWARI:** Well, my esteemed colleague will agree that this whole matter being under the intensive consideration of respective Ministries, it would not be proper and possible for me to disclose or mention all the details, because it is the privilege, prerogative and the responsibility of the Finance Minister to have a final say in these matters. But as I said, all these matters are under consideration. The fiscal policy which was announced by the Finance Minister, the MODVAT and other related policies mention that small scale industries will be given special dispensation. And lending of support by my esteemed colleague has further strengthened my hands.

[Translation]

**MR. SPEAKER:** The consensus of the House is with you.

[English]

**Setting up of Industries in Lakshadweep under 20-Point Programme**

\*497. **SHRI P.M. SAYEED:** Will the Minister of INDUSTRY be pleased to

state :

(a) whether the policy of setting up industries in the backward and tribal areas as envisaged under 20-Point Programme is being applied to the Union Territory of Lakshadweep;

(b) the industries proposed to be set up in Lakshadweep Islands with a view to generate employment opportunities;

(c) whether in view of certain difficulties in setting up of fullfledged industries, assembling units of various public undertakings viz. ITI, HMT, Electronics and also of Defence production are proposed to be set up there;

(d) if so, when; and

(e) if not, the reasons therefor?

**THE MINISTER OF INDUSTRY (SHRI NARAYAN DATT TIWARI):** (a) to (e). A statement is given below.

**Statement**

(a) to (e). Industrialisation of specific districts/areas is primarily the responsibility of the State Government/Union Territory concerned. The Central Government supplements their efforts by providing various incentives and concessions. The Union Territory of Lakshadweep has been identified as 'No Industry District' and included in Category 'A', Entrepreneurs setting up industries in this Union Territory are eligible for Central Investment Subsidy at the highest rate i.e. 25% subject to a maximum of Rs. 25 lakhs, Transport Subsidy and Concessional Finance etc. The Central Investments are primarily in large industrial projects of a basic character. The location of such projects has, therefore to be decided on broad techno-economic considerations. Subject to such considerations comparatively backward areas are given preference in location of central projects. Keeping in view the size and eco-fragile nature of the islands, industries based on the locally available raw material such as coconut/Coir, fisheries, and tourism have better chances of development. The