

# RAJYA SABHA

Thursday, the 26th March, 1992/6 Chaitra,  
1914 (Saka)

The House met at eleven of the clock,  
Mr. Chairman in the Chair.

## ORAL ANSWERS TO QUESTIONS

Mini growth centres in A.P.

\*381. DR. NARREDDY THULASI REDDY : Will the PRIME MINISTER be pleased to state:

(a) whether there is any proposal to set up a large number of mini growth centres in Andhra Pradesh for industrial development ; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI P.J. KURIEN) : (a) No, Sir.

(b) Does not arise.

DR. NARREDDY THULASI REDDY : There is a saying in Telugu which means that the entire *Ramayana* was completed in three sentences, the bridge was constructed, Ravana was killed and Sita was freed. Like that the Minister has completed the answer to my question, regarding the Andhra Pradesh industry, in just two words, 'No, Sir.' and 'Does not arise.'.... (Interruptions)....

SHRI MISA R. GANESAN : This will help BJP. This *Ramayana* will help the BJP, Sir.... (Interruptions)....

श्री कैलाश नारायण सारंग : आप का काम है रावण देखना... (व्यवधान)

DR. NARREDDY THULASI REDDY : Sir, AP ranks 5th in respect of area and population. From a strategic point of view also it is a gate way to the South. Centrally situated it provides a link between the North and the South and also between the East and the West.

MR. CHAIRMAN : Come to your question. We all know the importance of Andhra Pradesh and I think the Prime Minister also knows it. He has administered it.

DR. NARREDDY THULASI REDDY : That is the unfortunate thing.

MR. CHAIRMAN : Now put your question. Have pity on other Members.

DR. NARREDDY THULASI REDDY : Nature has bestowed AP with a long coastal line and five important rivers and also mineral resources. But unfortunately the industrial development in the State is at an abysmal level.

MR. CHAIRMAN : What is your question?

DR. NARREDDY THULASI REDDY : Sir, my question is regarding industrial development.

MR. CHAIRMAN : I know. But, what do you want to know? What is your supplementary?

DR. NARREDDY THULASI REDDY : My supplementary is, Andhra Pradesh has been totally neglected as far as industrial development is concerned. It takes only 5.4 per cent in the total net value added. So there is unequal distribution as far as industries are concerned from State to State.

MR. CHAIRMAN : Now, what is your question?

DR. NARREDDY THULASI REDDY : So, there should be a special treatment in the form of either incentives or subsidies or special schemes for the development of industrially backward States. But here the Minister has just said, 'No, Sir.'

MR. CHAIRMAN : Is this your question? You ask him whether they are thinking of doing something.

DR. NARREDDY THULASI REDDY : Sir, I would like to ask, what steps the Government is going to take to develop industries in Andhra Pradesh?

SHRI P.J. KURIEN : I am happy that the hon. Member has reminded us of the importance of Andhra Pradesh. I don't think anybody will try to reduce the importance of Andhra Pradesh. I fully agree with the hon. Member that Andhra Pradesh is a very important State. But with regard to industrial development, I would like to inform this House that the industrial development of that area is primarily the responsibility of the State Government. If Andhra Pradesh is backward... (Interruptions) I don't say it is because of Telugu Desam. But the State Governments have the responsibility. I would like to assure the Members that as far as the Government of India is concerned, we are trying to do all that is possible to help the States to implement the new

industrial policy which will help in generating more industries in the backward areas and in States like Andhra Pradesh. In addition, to that, we have got a growth centre scheme.

The hon. Member mentioned about my answer being negative. The hon. Member has asked about the mini growth centres. I can only be factual. The answer is 'No'. I don't want to mislead the House by saying, 'there is'. I cannot do that.

**MR. CHAIRMAN :** He has given a logical answer.

**SHRI P. J. KURIEN :** Yes, Sir. The question is very specific.

**MR. CHAIRMAN :** The question has a specific answer. That is all.

**SHRI P. J. KURIEN :** That is what I have said. But for the information of the Member, I would like to add that this is a scheme of growth centres. It is not "mini growth centre". They are big and large. Andhra Pradesh has also been given a due share of four growth centres which have been selected in consultation with the Government of Andhra Pradesh.

**DR. NARREDDY THULASI REDDY :** The Ministry has said that Andhra Pradesh has been sanctioned four growth centres.

**MR. CHAIRMAN :** You wanted a mini one. He has given you full.

**DR. NARREDDY THULASI REDDY :** I would like to know as to how many growth centres have been started. He said that four growth centres have been sanctioned. How many have been started? What is the performance of these growth centres? Is the performance of the growth centres encouraging or not?

**SHRI P. J. KURIEN :** I would like to inform the hon. Member that the growth centre scheme has to be implemented in the current plan and we have selected four growth centres in the State of Andhra Pradesh. I have already said, in consultation with the Government. For the information of the hon. Member, I would also like to say that it is for the State Governments to implement the scheme. We have selected the centres and we are giving financial assistance. A part of the financial assistance has to be met by the State Governments also. Andhra Pradesh has already been released Rs. 2 crores for four growth centres selected. But the scheme

is to be implemented in the Eighth Five Year Plan.

**SHRI SATYANARAYANA DRO-NAMARAJU :** There are abundant resources of crude oil and natural gas in the Krishna-Godavari basin. So there is maximum scope for the development of 'petro-chemical' projects in coastal Andhra. Similarly, there are huge mineral resources like barities limestone etc. in the Rayalaseema region of Andhra Pradesh. So I would like to know from the hon. Minister whether there is any proposal to launch separate schemes to utilise these resources effectively.

**SHRI P. J. KURIEN :** This question has to be addressed to the Petroleum Ministry.

**MR. CHAIRMAN :** No, he wants to know whether you are planning to use it for development of that area. Are you planning to use the gas that has been found in that basin, the Krishna-Godavari basin? It can be used by the Power Ministry.

**THE PRIME MINISTER (SHRI P. V. NARASIMHA RAO) :** I would like to add one thing. In the Krishna-Godavari basin, some gas has been found. It has been quantified and within that available gas, how many industries, how many power plants or..

**MR. CHAIRMAN :** One power plant has already come.

**SHRI P. V. NARASIMHA RAO :** or how many fertiliser industries can come, has been examined and it is at the final stage of consideration.

**SHRI S. JAIPAL REDDY :** As I know, the policy of growth centres was originally evolved to develop backward areas. Now, according to the commitment made to the World Bank the location of industries is not to be guided by the criterion of backwardness of a region; the criterion has been left completely to the private entrepreneurs or the foreign firms. In this context I would like to know as to how the Government intends to sustain its policy of growth centres and how it plans to develop the backward areas. If it does not, will this not lead to and accentuate regional imbalances within the State and imbalance between the States of the country?

**SHRI P. J. KURIEN :** First of all, I would like to inform the honourable Member, there is no commitment to the World Bank with regard to the location

of any industry because in the Industrial Policy it has been made very clear; as per the Industrial Policy we are not going to direct, we are not giving any licence. So the Government is not directing anyone. The industry has to decide on commercial considerations and economic considerations. (interruptions) yes, the industry has to go to a place where there is raw material, where there are infrastructural facilities. Nobody can control and nobody can give a commitment. This assertion that there is a commitment with regard to the setting up of industries is not correct and I would like the Member to be informed of that. The second point is what to do with backward areas. That is what I said. These growth centres are meant to take industries to areas where there is no industry. I understand your point. But you cannot take an industry to particular area, even if the Government tries to, where there is no infrastructure at all. First you have to create the infrastructure. So our attempt is to provide the infrastructure in those areas where there is potential for industry. For example, in Andhra Pradesh we have selected four growth centres of which three are already in the notified backward areas and all of them cannot go because, even if it is a backward area, it should have access to rail-head, it should have access to power, it should have access to water. Industry cannot go to a backward area which has no access to rail-head, which has no water, which has no power. Industry cannot go there even if the Government tries to. (interruption) Therefore, the intention of the Government is to take industry to potential areas where industry is not going because of the lack of infrastructure.

**SHRI S. JAIPAL REDDY:** He has not answered my question. He is putting the cart before the horse. Infrastructure has to be developed...

**MR. CHAIRMAN:** He says there are no guidelines so far as these growth centres are concerned from the World Bank. They have decided it themselves.

**SHRI S. JAIPAL REDDY:** According to their own document they have made a commitment to the World Bank President. He is putting the cart before the horse. Unless infrastructure is developed in a backward area, how can that backward area be developed?

**MR. CHAIRMAN:** That is what they are doing by choosing these centres. That is what he says.

**SHRI S. JAIPAL REDDY:** No, no. He has not said that. The allocation

for the infrastructure sector has been reduced by the Central Government. Therefore, the backward areas will remain backward.

**MR. CHAIRMAN:** It is a matter of opinion. Your question was very simple: Has the choice of growth centres been dictated by the World Bank? The Minister says, "No". He says the choice of growth centres is entirely in the hands of the Central Government on the advice of the State Government. And they have located four areas and they have also allocated money. How does the World Bank come into the picture?

**SHRI MENTAY PADMANABHAM:** What is the policy of the Government to develop backward areas?

**SHRI S. JAIPAL REDDY:** I would request the Prime Minister to intervene because even according to the document placed by the Finance Minister on the Table of the House this commitment was made by the Government of India.

**SHRI P.V. NARASIMHA RAO:** Let me answer the question specifically without going generally into this matter. In reply to your question the answer is four areas have been selected: Vizianagaram, admittedly backward; Vemsoor, admittedly backward; Hindupur, admittedly very backward; and Ongole. Ongole is the only place which may not come under the definition of 'very backward'. It is not very backward. These are the areas chosen. So, I think this should answer the question more than anything else.

**MR. CHAIRMAN:** I have said the same thing. Anyway, now Mr. Radha Kishan Malaviya.

श्री राधा किशन मालवीय : मान्यवर, भारत के विकास और देश में रोजगार उपलब्ध कराने के लिए उद्योगों की स्थापना करना अति आवश्यक है। तो मैं मंत्री महोदय जी से यह जानना चाहता हूँ कि देश में कौन कौन से बैकवर्ड प्रदेश हैं और वहाँ पर लघु विकास केन्द्र खोलने की आपकी क्या पालिसी है ?

**SHRI P.J. KURIEN:** First of all, I would like to tell that in every State there are some regions, some areas, which are backward and the North-Eastern area is totally backward. With regard to the mini-growth centres, there is no scheme as mini-growth centres. However, the Government is trying to provide

infrastructural facilities in other districts where the growth centres are not at present coming up. That is what the Government is trying to do.

**MR. CHAIRMAN :** Yes, Mr. Pramod Mahajan.

**SHRI PRAMOD MAHAJAN :** Sir, this is the fourth Government which is working on the 'growth centre' concept. So, this 'growth centre' concept has nothing to do with the present World Bank proposals.

**MR. CHAIRMAN :** Why don't you tell your friends?

**SHRI PRAMOD MAHAJAN :** But, due to the present Industrial Policy....

**SHRI KAMAL MORARKA :** Sir, he is speaking on behalf of his friends... (Interruptions)...

**SHRI GURUDAS DAS GUPTA :** He is a supporter of the World Bank.

**SHRI PRAMOD MAHAJAN :** I am neither a supporter of the World Bank for the KGB .... (Interruptions)...

**MR. CHAIRMAN :** Let us remain within the purview of the main question ... (Interruptions)...

**SHRI PRAMOD MAHAJAN :** Sir, what I am saying is that this 'growth centre' concept is pretty old, six or seven years old, and has been there under four Governments.... (Interruptions)....

**MR. CHAIRMAN :** What is your question?

**SHRI PRAMOD MAHAJAN :** I am coming to my question, Sir.

Due to the New Industrial Policy, no industry now needs a licence, and when he does not need a licence, naturally, an industrialist will go wherever he wants. Naturally, he will go to that centre which already has sufficient growth. So, in respect of the backward areas, the licensing policy was an instrument to send an industry to the backward areas. So, I would like to know from the honourable Minister how this lacuna in the New Industrial Policy is going to be removed because the old Policy helped us in giving licence for an industry in the backward areas and developing those areas. I would like to know how this 'growth centre' concept can be used as an instrument to have development in the backward areas.

**SHRI P.J. KURIEN :** Sir, the honourable Member may be knowing that in spite of the licensing policy, most of the backward areas have remained backward. It is not as if you can, with your licensing policy, direct industries to the backward areas. It did not happen and that is the reality. But, for the information of the honourable Member, Sir, I would like to say that out of the 64 growth centres sanctioned, 51 are in the notified backward areas. The honourable Prime Minister has already said about three in Andhra Pradesh in the backward areas. So, 80 per cent of these growth centres are in the backward areas and 51 districts were selected in the backward areas where infrastructure will be provided. Naturally, when there is the infrastructure, industries have to go there irrespective of whether there is licensing or there is no licensing.

**MR. CHAIRMAN :** Question No. 382.

**Demand and supply of paper and newsprint**

\*382. **DR. SANJAYA SINGH :**†  
**SHRI P. UPENDRA :**

Will the PRIME MINISTER be pleased to state:

(a) the estimated gap between demand and supply of paper and newsprint in the country at present; and

(b) the steps taken/proposed to be taken by Government to bridge the gap?

**THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI P.J. KURIEN) :** (a) and (b) A statement is laid on the Table of the House.

#### Statement

(a) The country is self sufficient in respect of ordinary varieties of paper. The estimated gap in respect of newsprint is around 3 lakh tonnes.

(b)(i) Paper units, based on use of minimum 75% pulp from bagasse, agricultural residues and other non-conventional raw materials, have been exempted from Industrial Licensing.

(ii) Manufacture of writing and printing paper and uncoated draft paper containing not less than 75%

† The question was actually asked on the floor of the House by Dr. Sanjaya Singh.