

SHRI THILLAI VILLALAN : Sir, teaching of Hindi or learning of Hindi comes under Education and therefore, it is the domain of the States. Now, I would like to know from the hon. Minister how the question arises whether the Tamil Nadu Government gets funds for the teachers in Hindi in Tamil Nadu. How is it relevant to mention the amount given to Tamil Nadu for teaching Hindi and spent for the same purpose ?

MR. CHAIRMAN : All right.

SHRI THILLAI VILLALAN : It is entirely within the domain of the States. So, how is it relevant . . .

MR. CHAIRMAN : All right. You have already said that.

SHRI THILLAI VILLALAN : ... for the Central Government to interfere in the domain of the States ?

SHRI RAM NIWAS MIRDHA : I think the hon. Member is referring to the question that was raised by another hon. Member as to whether the Tamil Nadu Government is making proper use of the money. What the hon. Member probably meant was that money is given for a particular purpose to the Tamil Nadu Government which is not using that money for that purpose. Again, Sir, I need notice to answer this question.

MR. CHAIRMAN : All right. Next question.

384. [**The questioner (Shri A.G.Kulkarni) was absent. For answer, vide col. 46 infra*]

INDCSTRIAL GROWTH RATE

•385. SHRI M. K. MOHTA :f
SHRI A. G. KULKARNI :

Will the Minister of INDUSTRIAL DEVELOPMENT be pleased to state :

{The question was actually asked on the floor of the House by Shri M. K. Mohta.

(a) whether it is a fact that industrial growth rate has suffered a slump during the current year;

(b) the growth rate during the current *yrrr* as compared to last year and what was the target and

(c) its effect on the export trade of our country ?

THE MINISTER OF INDUSTRIAL DEVELOPMENT (SHRI MOINUL HAQUE CHOUDHURY): (a) to (c) A statement is laid on the Table of the House.

STATEMENT

(a) and (b) While the Fourth Plan laid down a target of 8 to 10 per cent for the industries sector, the General Index of Industrial Production registered a growth rate of 2.8 per cent during the first eleven months of 1971 (January-November) as against a growth rate of 5 per cent achieved during the calendar year 1970.

(c) The slow rate of industrial growth is only one among a complex of factors determining India's export trade. Apart from industrial production, these factors include the rapidly changing pattern of external demand, the relative price advantage of our products, quality control, effective packaging, freight rates and the agreed dimensions of Trade Plans between India and other countries.

An analysis of industrial production during 1971 and the pattern of exports during April-November, 1971 shows that it is difficult to establish any direct correlation between slackening in industrial growth and India's export trade.

SHRI M. K. MOHTA: Sir, this question has come before the House on a number of occasions during the last one year. The Statement that has been made says definitely that the rat. of growth is

2.8 per cent during the first eleven months against the Fourth Plan target of 8 to 10 per cent. At one time the Industrial Development Ministry had given the reason that the working of the index of industrial production was such that it was not giving a clear picture of the situation prevailing in the country. That also has now been disputed by the Finance Ministry in its Economic Survey. In view of the fact that now it has been definitely conceded by all concerned that stagnation has set in in industrial production, what positive measures have the Government in view to stimulate industrialization in the country? Or is the policy of the Government to simply sit tight and watch the situation taking its own course?

PROF. SIDDHESHWAR PRASAD : The hon. Member is not fair to the Government. The Government have initiated a number of steps for bringing higher growth rate in the industry and this has been explained in the House from time to time.

Then, Sir, the hon. Member has also mentioned the economic survey laid on the Table of the House by the Ministry of Finance. There it has been mentioned that one of the reasons is slowing down of saving. And if saving is slowed down and foreign aid is also cut, then naturally there will be less investment and production will naturally be affected. Then there are other factors such as the availability of power and transport bottlenecks and also promoting investments. The Government are making all efforts to see that the growth rate comes up.

SHRI M. K. MOHTA: This does not answer my question adequately. The hon. Minister has stated that some steps have been taken. And yet the fact is that during the last eleven months the production index shows only 2.8 per cent. It shows very clearly that the steps up till now taken by the Government have not borne the desired effect. In view of this,

I had specifically asked whether a re-appraisal is going to be made or not, whether new steps are going to be taken or not. The economic survey . . .

MR. CHAIRMAN: Kindly put your question.

SHRI M. K. MOHTA : This is the question. I asked what are the specific new steps that are going to be taken. The economic survey says very definitely that the industrial production index shows a very correct picture of the state of affairs, and it is not correct that the index does not show a correct picture. In view of that, would the hon. Minister be pleased to state what further action is contemplated by the Government?

PROF. SIDDHESHWAR PRASAD : I have not said that the index does not show a correct picture . . .

SHRI M. K. MOHTA : That was stated by the Ministry of Finance long ago.

PROF. SIDDHESHWAR PRASAD : 'Long ago' is a different thing. The only point, Sir, is that various steps have been taken. And I may elaborate it further by saying that the Planning Commission have appointed a 'Task Force' and the Ministry of Industrial Development have also a 'Task Force'. Then, Sir, they have selected 54 industries, where we are taking steps to utilize the capacity to the full so that production will come up.

SHRI BHUPESH GUPTA : Sir, on a point of order. Should we use such expressions as 'Task Force' in connection with the Planning Commission? If they do not find any other expression, why should they go in for an American expression like 'Task Force'? Why should there not be a 'Task Force' for Chairmanship?

(Interruptions)

MR. CHAIRMAN : That is no point of order.

SHRI N. G. GORAY : I think we are unnecessarily beating about the bush. The fact remains that the industry is not picking up in spite of the measures that the Government has taken so far. I would like to know whether the Government has definitely come to the conclusion that the industries, the big monopoly houses, are on strike, they are non-cooperating, they are trying to pressurise the Government into giving them more and more concessions. What is the real fact

PROF. SIDDHESHWAR PRASAD : The honourable Member has expressed his own view on this question. I have nothing to add.

SHRI N. G. GORAY : I want to know your view.

MR. CHAIRMAN : He wants to know whether, according to your knowledge, it is a fact. That is what he has asked.

PROF. SIDDHESHWAR PRASAD : According to our information it is not a fact.

DR. R. K. CHAKRABARTI : Will the honourable Minister say whether these three are the main factors for the slower growth rate : (1) shortage of raw material; (2) shortage of wagons; and (3) unhappiness in industry ? What positive steps will the Government take at least to double the number of wagons in the next Five Year Plan ?

PROF. SIDDHESHWAR PRASAD : I think only yesterday or the day before yesterday the honourable Railway Minister mentioned in the House that he is making all efforts to increase the availability of wagons. I do not know the exact number of wagons that he is proposing to increase.

SHRI KRISHAN KANT : Is it not a fact that even in cement and paper where

those industries had promised that they would build up their capacity, they have not built it up? How many industries to which you have given letters of intent, have not come up? Can you give the figures? In what Mr. Goray said correct that they want to force the Government to change its policy to suit the industries and the monopoly houses?

PROF. SIDDHESHWAR PRASAD : About letters of intent, how many of them have come up and how many of them are still coming up, I do not have the figures with me. As far as pressure from the industrialists is concerned, the Government is not going to succumb to pressure from industrialists.

SHRI KRISHAN KANT: On a point of order, Sir. I had asked a specific question. Is it not a fact that the paper industry and the cement industry had given an undertaking that they would come up with the fixed production within a certain period of time, but they have not fulfilled their targets? Is it not an indication of what they are doing at other places? Can you say something about the paper industry?

PROF. SIDDHESHWAR PRASAD : They are going slow. There is no doubt about it. Therefore, in the cement industry and in the paper industry the Government have set up a Cement Corporation and a Paper Corporation respectively which will fill up the gap in production.

SHRI N. G. GORAY : Sir. I want your protection. When I asked whether in the opinion of the Government they are on strike, he said 'no'. Now he has said they are going slow. In spite of that, I would like to know-why not some senior Member tell us-what the real fact is. The Minister of Planning is here. The Prime Minister is here. We would like to know this. It is a very serious question.

SHRI C. SUBRAMANIAM : We find that many of the projects, which have been sanctioned either by way of a letter of

intent or when it fructified into a licence, are not coming up as fast as they should. Particularly in these critical areas we have examined it. For example, paper and cement were mentioned by Shri Krislian Kant. We examined them and we found that unless we take them up in the public sector we are not going to get the targets of production and that is why we have taken possession of both the cement and the paper industries, and the Corporations which we have set up for this purpose will go in for the implementation of these various projects. And they have been given the orders to go ahead.

SHRI KRISHAN KANT : What about the attitude of the industry people? The honourable Minister of Planning has very clearly stated that they could not come up because of the attitude of the industry. Then why does not the Government come forward with a plain statement that they are not cooperating properly because they are propagating all over the country and in the newspapers that the Government is not capable of doing it and that only the private sector is capable of doing it . . .

MR. CHAIRMAN : That is enough. Please sit down.

SHRI C. SUBRAMANIAM : Naturally the private industry wants to function on its own terms because the private industry is not a charitable organisation which wants to help the country as such. They will have to have their profit motives also; otherwise, they do not come into the picture. And when there is a conflict like this, the public sector has to play a big role. After all, the private sector has got its own philosophy, and, therefore, if that is in conflict with the national programmes and national goals, then, some other thing will have to be done. That is what we are contemplating . . .

SHRI N. G. GORAY : It is a question of calling a spade a spade.

DR. BHAI MAHAVIR : The honourable Planning Minister has referred to some philosophy of the private sector. Here we are talking of the industrial growth rate. May I know if it is not a fact that if the rate of industrial growth has declined, the major share of the blame has to be placed at the doors of the public sector undertaking? Like fertilizers and steel—for the decline in the rate of growth? It was said that their savings have also fallen—savings expected from this and other public sector undertakings. They have not also been according to our estimate or calculation. So, may I know if the Government has made any assessment of the rate of growth of public sector undertakings *vis-a-vis* the rate of growth of private sector undertakings, because the overall rate of growth is disappointing? We would like to know on whose shoulders the responsibility rests.

SHRI C. SUBRAMANIAM : It is only making out a case. I do agree that we have to improve the performance of the public sector and the hon. Member is aware that we have taken all steps to make an improvement.

With regard to the other thing, the general growth depends upon the new investment and coming into existence of new productive capacity in which we are depending upon the private sector also to take various steps for the purpose of new investment and creating new productive capacity. This is where a conflict has come in and, therefore, if the industrialists complain, they complain that we do not conform to their standards, to their thinking and to their philosophy. Unfortunately, if there is a conflict, then we will have to take decisions and we have taken decisions to go ahead with the public sector to fill up the gaps. Perhaps in the Fifth Plan we will have to take more important decisions with regard to the role of the private sector itself, but that will have to be done on the basis of a complete assessment of the situation. We will also have to see how far we

could try the public sector to perform in a better manner. All these things are under consideration and perhaps we will be able to do something during the Fifth Plan.

DR. BHAI MAHAVIR : Sir, I put a very pointed question. I asked whether it was not a fact that the responsibility for slowing down the rate of growth was primarily due to the disappointing performance of public sector undertakings like steel, fertiliser and certain other projects.

HON. MEMBERS : No, no.

DR. BHAI MAHAVIR : There are so many Members offering answers, I expected an answer from the responsible Minister. He is just replying in a general way. I would specifically like to know if the public sector is not cooperating, on whose shoulders the major blame for slowing down the rate of growth rests.

SHRI C. SUBRAMANIAM: I have answered the question. The hon Member wants that there should be better performance in the public sector. I agree with him and we are taking all the necessary steps for that purpose. There are already visible signs of improvement in the functioning of the various public sector projects but that is a different thing altogether. Now in the other area what do we do? There is a general agreement that there should not be concentration of economic power or economic wealth because we want production . . .

DR. BHAI MAHAVIR : Sir, is he not evading the question?

MR. CHAIRMAN : No, no.

SHRI C. SUBRAMANIAM : Should we come up with the philosophy that there should be no concentration of wealth or economic power and in that way can we have production? That is why I said that in view of all these problems if the private sector is not prepared to cooperate and is not prepared to operate in the

economy, then we will have to take other steps and the public sector will have to come into the picture. (*Interruptions*) Let them say that we have to give up this philosophy.

MR. CHAIRMAN : Last question. Mr. Bhupesh Gupta.

SHRI BHUPESH GUPTA : Now, here are the reactionary supplementaries from the task force.

DR. BHAI MAHAVIR : And yours is the task force of progressive Russian fleet.

MR. CHAIRMAN : No, no.

DR. BHAI MAHAVIR : Why does he unnecessarily have a fling at others. Let him speak on his own. There is no use having flings at others.

SHRI BHUPESH GUPTA: My friend should take it easy. There are two task forces operating in this country under your commandship.

Now, Sir, I should like to know who are the members of the so-called 'task force', what was the reference given to them, when they were to investigate into this matter and what recommendations they are likely to make. Are they going to make any interim recommendation to strengthen the public sector and to further weaken, if not eliminate, the monopoly sector about which the task force has just now spoken.

PROF. SIDDHESHWAR PRASAD : Sir, as I have already said, the Government have taken a decision to make the fullest use of the capacity available in 54 selected industries and for this purpose a task force has been appointed which is headed by Shri R.V. Subrahmanian, Additional Secretary in the Ministry of Industrial Development. The other members are :

Shri S.K. Sehgal, Joint Secretary in the Ministry of Industrial Development ;

Dr. A. K. Ghosh, Economic Advisee in the Ministry of Industrial Development;

Shri K. B. Rao, Director General, Technical Development;

Shri P.D. Kasbekar, Joint Secretary, Department of Economic Affairs.

Then there are :

Shri R.V. Raman, Adviser Planning Commission, Joint Secretary in charge of the administrative section in the concerned Ministry.

Shri G.A. Shah, Joint Secretary in the Department of Company Affairs and

Shri T. K. Tikku, Director in the Ministry of Industrial Development as Member Secretary.

SHRI BHUPESH GUPTA : Wonderful.

TAKING OVER OF B. I. C.

*386. SHRI YOGENDRA SHARMA :
SHRI BHUPESH GUPTA :†
SHRI S. KUMARAN : DR. Z. A.
AHMAD : SHRI S. G.
SARDESAI:

Will the Minister of INDUSTRIAL DEVELOPMENT be pleased to state :

(a) the names of the present Chairmen and Directors of British Industries Corporation;

(b) what are their shareholdings ; and

(c) the reasons for not taking over the management by Government ?

THE MINISTER OF INDUSTRIAL DEVELOPMENT (SHRI MOINUL HAQUE CHOUDHURY) : †(a) and (b) A statement is laid on the table of the House.

(c) Government along with the public financial institutions has a substantial share holding in the British India Corporation. These Interests are further secured by the appointment of five Directors by the Government, out of the present total strength of nine, on the Board of Directors of the Company. Government is, however, keeping a close watch on the working of the company and the action taken by Government, from time to time, in the public interest depends on the changing circumstances of the Company.

STATEMENT

Names of Chairmen and Directors of the British India Corporation and their shareholdings are given below :—

Name	Shareholdings	
	Ordinary	Preference
Shri P. N. Mathur (Chairman)	In form No. 29 filed by him he has undertaken to take from the company and pay for 10 preference shares of Rs. 100 or 200 ordinary shares of Rs. 5 each being the value of shares prescribed as qualification shares for the office of Director of the said Company.	
Shri B. P. Bajoria (Vice-Chairman)	400	...

†The question was actually asked on the floor of the House by Shri Bhupesh Gupta.