

**SHRI SIDDHARTHA SHANKAR RAY:** The hon. Member has been pleased to ask me about five supplementary questions in one bunch. All that I can say, Sir, is this. In so far as this Government is concerned, it will try its utmost for the uplift of the educationally and socially backward classes.

#### **RATE OF GROWTH OF INDUSTRIAL DEVELOPMENT**

4. **SHRI RAJENDRA PRATAP**

**SINHA:**

**SHRI ARJUN ARORA:**† VDR.

**SALIG RAM:** V **SHRI KRISHAN KANT:**

Will the Minister of INDUSTRIAL DEVELOPMENT AND INTERNAL TRADE be pleased to state:

(a) what is the rate of growth of industrial development;

(b) whether there is shortfall in the rate as envisaged in the Fourth Plan; and

(c) how Government propose to meet the shortfall during the remaining period of the Plan ?

**THE MINISTER OF INDUSTRIAL DEVELOPMENT (SHRI MOINUL HAQUE CHOUDHURY):** (a) to (c) A statement is placed on the Table of the Rajya Sabha.

#### **STATEMENT**

The rate of growth of industrial production during 1970 on the basis of the existing production indices is expected to be of the order of 6 per cent. The growth rate envisaged in the Fourth Plan was 8 to 10% annually. The shortfall in the growth rate as indicated by the official index of industrial production has taken place for a variety of reasons. One major con-

†The question was actually asked on the floor of the House by Shri Arjun Arora.

tributory factor has been the substantial decline in the expected output of steel which has affected a large number of steel-using industries very adversely. Labour-management problems in certain industrial units has led to stagnation and even decline in their output, such as in electric fans, radio receivers and the like. In certain other industrial sectors such as railway wagons, stationery diesel engines and power-driven pumps, production was also affected due to inadequacy of demand.

2. It needs to be stressed that, apart from the fact that production trends in certain industrial sectors have not been as satisfactory as was expected earlier, the growth rate indices also pose a statistical problem in that the index of industrial production, which has a base of 1960, does not fully reflect the growth of production in the newer and more rapidly developing industries such as aluminium, nitrogenous fertilizers, and machinery manufacture. For example, textiles have a weight of 27 per cent in the official index, based on their importance in the national economy in 1960. As is generally known, the pace of growth in the textile industry is much slower than many industrial sectors, but the preponderant weightage attached to this sector tends to depress the overall index. Apart from this, the index of industrial production does not also reflect the growth of output in the small-scale sector which is increasing at a more rapid pace than production of large scale industries taken as a whole. According to an estimate made by the Reserve Bank of India (as published in the Annual Report on the working of the Reserve Bank), the output of the small scale sector increased by 11.2 per cent in 1969-70, against a growth rate of less than 7% for large and medium scale industries as reflected in the index of industrial production.

3. The entire policy of Government is geared to the need for accelerating the rate of industrial growth, consistently with the achievement of broader socio-economic objectives. The principal

steps taken by Government are reflected in the revised five year policy announced last year, with its emphasis on liberalisation and creation of additional capacity in most production sectors, particularly the core sector as also the policy to foster and accelerate the growth of the small scale sector, which continues to have great potential. Action is also being taken to ensure an adequate supply of essential raw materials, particularly steel, together with imported spare parts and components, so that existing installed capacity is utilised as far as possible. Efforts are being made to expedite the implementation of projects, both in the public and the private sector and necessary clearances are being accorded at a faster pace. It is expected that, with the measures already taken and the further streamlining of procedures that would be considered shortly, together with the improved investment climate in the country, the growth rate would increase substantially during the remaining years of the Fourth Plan.

SHRI ARJUN ARORA: Sir, this statement merely unsuccessfully tries to explain the bad performance as far as the growth of industrial production is concerned. It blames the Index Number which the Government has itself adopted. So, may I now if a better index Number is being worked out by the Government?

SHRI SUNDAR SINGH BHANDARI: Work out or fabricate?

SHRI ARJUN ARORA: The Index Number which the Government may find more reliable. Secondly, I want to know what is the weightage being given in the present Index Number to the small scale industry? And thirdly, Sir, I want to know what action is being taken to ensure the supply of adequate quantities of steel to small-scale sector because the only bright performance, according to this Statement, is that of the small-scale sector? Since the small-scale sector is closing down and stagnating because the Government is not able to supply steel and other raw materials to small-

scale industries, what particular steps are they going to take to make adequate quantities of steel available to the small-scale sector?

SHRI MOINUL HAQUE CHOU-DHURY: Sir, I would immediately agree with the hon. Member that the growth rate is rather disquieting during the year 1970-71 and we are also engaged in the task of finding out the causes. Certain general causes, as discovered, have been given in this answer and I can assure the House that it will receive further consideration. As far as production bottleneck is concerned, we are trying to remove them; I am not in a position to give all the details at the moment. As far as the small-scale industries are concerned, the Government will be granting all the special attention to them so as to enable them to get the raw materials.

SHRI ARJUN ARORA: The small-scale industries do not want special attention. They want raw materials, particularly steel. Secondly, which are the parts of the country where industrial production has suffered because of bad labour-management relations because the so-called bad labour-management relations are not something common to the whole country? Which are the parts where this has been a contributory factor and to what extent?

SHRI SUNDAR SINGH BHANDARI: Kanpur.

SHRI ARJUN ARORA: Kanpur has very good relations.

SHRI MOINUL HAQUE CHOU-DHURY: I will not be able to spot out every place but it is known to the world that West Bengal is one of the worst spots so far as labour relation is concerned.

SHRI ARJUN ARORA: He has not replied to my question. To what extent bad industrial relations have contributed to the slow growth of industries? Merely mentioning Bengal

does not reply the question. I seek your protection, Sir. The answer should be an answer to my question and not merely mention of Bengal which frightens many people.

SHRI MOINUL HAQUE CHOU-DHURY: I would like to have notice.

SHRI KRISHAN KANT: Mr. Arora has said something on the basis of the statement. In the statement he has said that lack of industrial relations has led to this. The Minister should have the information in his pad to reply to this. You must instruct him that hence forward he must come prepared.

MR. CHAIRMAN: Well, it is henceforward. You put your question.

SHRI KRISHAN KANT: What is the percentage of shortfall in the private and public sectors respectively till now? May I know how the new licensing policy has affected the industrial growth? Is it a fact that the Government and the Planning Commission are thinking of increasing the delicensed sector from one crore to five crores? May I know whether the shortfall in investment which is coming up is going to affect the rate of industrial growth and in the light of that, how are they going to meet the situation? May I know whether the Fourth Plan document has emphasised the necessity of identifying and formulating projects by organisations like the Industrial Development Bank of India and others so that these projects could be handed over to the private and public sectors later? Has anything been done in this respect and, if not, why not?

SHRI MOINUL HAQUE CHOU-DHURY: It is a very involved question and by the time it was finished I had forgotten most of it.

SHRI ARJUN ARORA: On a point order. How can the Minister. . .

MR. CHAIRMAN: He is not serious,

SHRI ARJUN ARORA: I am very serious in this House. I am light-hearted in the cinema houses.

MR. CHAIRMAN: It will not be a cinema house here.

SHRI ARJUN ARORA: When he has forgotten the question, how can he reply? How can the House expect the Minister to reply when the question he has forgotten?

श्री मुन्दर सिंह भंडारी: इतनी देर में तो इस इंटरप्लान के कारण जो उनको याद था वह भी वे भूल गये होंगे।

SHRI MOINUL HAQUE CHOU-DHURY: So far as the percentages separately for the private sector and public sector are concerned, I have not got them with me and I can supply them if a separate question is put.

SHRI KRISHAN KANT: I take objection to this because I have put every supplementary on the basis of the note submitted. If every time he wants a separate question, this is very wrong. When I come prepared on the basis of the notes and replies given by the Minister in the House, if he wants notice for every supplementary, then nothing can be done in this House.

SHRI DALPAT SINGH: Sir, on a point of order. It is for the Chair to consider whether any particular supplementary arises out of the statement or not.

MR. CHAIRMAN: I know it is for the Chair to decide.

SHRI MOINUL HAQUE CHOU-DHURY: So far as the question of increasing the exemption limit from one crore to five crores is concerned, it was considered earlier but it was not agreed to. The matter could, however, be considered again in the light of the experience gained in the meantime.

SHRI KRISHAN KANT: I specifically asked whether the shortfall in

investment is going to reflect on the industrial growth and how are they going to deal with it. The last question was about emphasising the necessity of identifying and formulating projects; why has it not been done?

MR. CHAIRMAN: Mr. Krishan Kant, there are other questioners also. Mr. Minister, could you add anything?

SHRI MOINUL HAQUE CHOU-DHURY: In the meantime we have been finding that there are a larger number of applications for industrial licence and I feel that there is now a kind of investment-orientation in the country.

SHRI C. D. PANDE: In view of the fact that for the last three or four years there has been a complete standstill in industrial development—whatever figures Government gave, if there is any progress it has been only on paper—and also in view of the fact that you take a long time to go ahead with a project, will the Government pay special attention to the rated capacity of the plants that are already there because there are a large number of plants in various industries which have got high rated capacities which have not yet been reached? As for example, in steel, heavy engineering, in heavy electricals etc. where the gap is almost 30 to 40 per cent, what immediate steps do the Government propose to take so that at least in one way—and that is in a big way—we will have some additional growth in industries?

SHRI MOINUL HAQUE CHOU-DHURY: The suggestion of the hon. Member will receive the consideration of Government.

SHRI C. D. PANDE: It is not a question of suggestion. I want to know at steps you are going to take.

श्री प्रेम मनोहर: अभी जो मन्त्री जी की फ से रिपोर्ट रखी गई है उसमें बताया गया कि स्माल स्केल इंडस्ट्रीज का 11.2 परसेंट पदन बढ़ा है, तो मैं मन्त्री महोदय से यह

बात स्पष्ट कराना चाहूंगा कि जो स्माल स्केल इंडस्ट्रीज हैं उनको रा-मैटीरियल देते समय क्या मन्त्री जी यहां पर घोषित करेंगे कि जो स्माल स्केल इंडस्ट्रीज एक्सपोर्ट कर रही हैं उन एक्सपोर्ट करने वाली इंडस्ट्रीज को हंड्रेड परसेंट रा-मैटीरियल अपने पब्लिक सेक्टर से बह दिलायेंगे। इस प्रकार की क्या कोई गवर्नमेंट की निश्चित पालिसी है।

मेरा दूसरा प्रश्न है बड़े उद्योगों के बारे में। बड़े उद्योगों का जो अपेक्षित उत्पादन था उसमें कमी का एक सब से बड़ा कारण आपकी डिफेक्टिव लाइसेंसिंग पालिसी है जिसमें लाइसेंस देने के बाद सारे के सारे लाइसेंस मानोपलीज कमिशन के पास रोक दिये गये और उस कारण से देश का जो उत्पादन बढ़ना चाहिये वह नहीं बढ़ा, जैसे कि कागज, सोडा कास्टिक और सोडा एश है, जिसकी आज सौ फीसदी कमी है।

MR. CHAIRMAN: Please shorten your question.

श्री प्रेम मनोहर: क्या यही इसका सब से बड़ा कारण नहीं है कि आपकी डिफेक्टिव लाइसेंसिंग पालिसी थी।

SHRI MOINUL HAQUE CHOU-DHURY: Special attention would be given to small-scale industries in allocating raw materials and if any further is to be done we would look into it.

Regarding the Monopoly Commission its recommendation is being implemented by the Government. We have taken certain steps in this regard which are already known to this hon. House.

श्री ना० कृ० शेजवलकर: जवाब तो वह कोई ठीक-सा देते ही नहीं हैं।

श्री सभापति: अभी देखिए। आगे जवाब भी दिया करेंगे।

SHRI K. P. MALLIKARJUNUDU: From the statement laid on the Table we gather that three causes have been

mentioned for the shortage of industrial production. One is the shortage of raw materials. The Second relates to labour relations and the third is lack of demand. I wish to know whether the Minister will be prepared to lay on the Table of the House a statement showing which industries suffered on account of labour troubles, which industries suffered on account of lack of spare parts and which industries suffered due to lack of demand.

SHRI MOINUL HAQUE CHOUDHURY: [ shall make an endeavour to collect all this information.

MR. CHAIRMAN: Mr. Kulkarni, a very short question. I want to go to the next question.

U^SHRI A. G. KULKARNI: From the statement he has made and from the answer he has given it seems that the shortages in industrial growth are due to lack of raw materials, due to bad industrial relations and due to lack of modernisation. I want to know whether at least in the Fourth Plan— now that the Planning Commission has gone out—the Minister of Industrial Development will make every effort to identify what are the critical shortages, just like paper, cement, steel, etc., and make efforts for more production in those sectors. Secondly, may I know whether he will take upon himself a new assignment of creating an atmosphere of productivity in this country which is lacking now and which is a tragedy for the whole industrial growth ?

SHRI MOINUL HAQUE CHOUDHURY: I am grateful to the hon. Member and it shall be my endeavour, Sir, with the co-operation of hon. Members, to create a new atmosphere for production in the country. We will also make a critical analysis of the entire situation and find out what are the sectors where the shortfalls are the greatest and what should be the remedial measures to be taken to tide over the difficulties.

\*5 [The questioners (Shri K. L. N. Prasad, Shri Jagdish Prasad Mathur and

Shri M. V. Bhadram) were absent. For answer vide cols. 33-34 in far.]

#### TARGET OF INDUSTRIAL GROWTH

\*6. 'SHRI A. G. KULKARNI t SHRI B. S. SAVNEKAR: SHRI N. P. CHAUDHARI: SHRIT. G.DESHMUKH: vSHRI S. B. BOBDEY:

Will the Minister of INDUSTRIAL DEVELOPMENT AND INTERNAL TRADE be pleased to state:

(a) whether the target of industrial growth fixed in the Fourth Five Year Plan documents for the year 1970 has been achieved, and if so, to what extent; and

(b) what are the sectors of industries where the installed capacity is not fully utilised as expected, and if so, what measures have been taken by Government to remove the bottlenecks?

THE MINISTER OF INDUSTRIAL DEVELOPMENT (SHRI MOINUL HAQUE CHOUDHURY): (a) and

(b) A statement is placed on the ^Tabl of the Rajya Sabha. {See Appendi LXXV, Annexure No. 1).

v'SHRI A. G. KULKARNI: Th question being the same as the earlii one, it is no use asking more suppl mentaries.

श्री एन० पी० चौधरी: मन्त्री महोदय जो विवरण दिया है उसमें यह बताया है कि उत्पादन क्षमता है उसमें स्टील और फर्टिलाइ में कमी हुई है। तो यह बहुत ही महत्व उद्योग है, इनमें कमी नहीं होनी चाहिए इसलिए क्या मैं उनसे यह जान सकता हूँ चौथी पंचवर्षीय योजना की अवधि में जो उत्पादन निर्धारित किया गया था क्या उसमें : हुई है और अगर हां तो उसको पूरा कराने लिए उनकी क्या योजना है ?

†The question was actually a; on the floor of the House by A. G. Kulkarni.