

in Delhi and the rate of clearance of the slums coming up, as to which is more and which is less.

MR. CHAIRMAN : That question has not been answered.

SHRI K. K. SHAH : My hon. friend is aware that the assessment was made in 1966 if I remember correctly. We have given these figures on a number of occasions. It was 50,000 or somewhere round about that number then. Now it has become one lakh. It is true that the construction has not kept pace with the clearance; it is a fact.

MR. CHAIRMAN : Next question.

VIEWS EXPRESSED BY SHRI G. D. BIRLA

\*655. DR. BHAI MAHAVIR : Will the PRIME MINISTER be pleased to state :

(a) whether Government's attention has been drawn to the views expressed recently by Shri G. D. Birla about the impending "era of serious shortages and unemployment" ;

(b) whether it is a fact that investment in shares has declined from Rs. 561 crores (1966-67) to Rs. 384 crores in (1967-68) as stated by him ; and

(c) if so, what are Government's reactions in the matter ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P. C. SETHI) : (a) Yes, Sir.

(b) Consents for the issue of capital amounted to Rs. 486.0 crores in 1966, Rs. 233.7 crores in 1967, Rs. 135.2 crores in 1968 and Rs. 143.5 crores in 1969. Capital raised was Rs. 308.2 crores during 1966. Rs. 284.1 crores in 1967 and Rs. 299.9 crores in 1968.

(c) The Government keeps a continuous watch on the trend in investments. The Budget proposals for 1970-71 contain several features aimed at stimulating investment in the Corporate sector.

DR. BHAI MAHAVIR : Sir, the answer attempts to touch only one part of the question. My question related to the statement by Mr. G. D. Birla about the impending era of serious shortages. I think that has not been even touched at all. What was meant

by the 'shortages' which that particular gentleman had in view? Is it clear to the Government and have Government any comments to offer on this? So far as unemployment is concerned, Sir, I would like to know whether the Government are aware of the fact that in a recent article it appeared that President Giri had also emphasised the need of a network of countrywide multi-purpose pilot projects for absorbing the surplus man-power. In the same article it has also appeared that he had also referred to the right which has been assured in the Constitution itself, the right to employment, and said that this right would remain on paper and we shall be nowhere near the goal of socialism unless a great programme of action for mobilising the productive channels of the country was undertaken. I would like to know, Sir, whether the Government have given serious thought to the emphasis that the President also has underlined the need for a wide-scale programme for generating employment in the country.

SHRI P. C. SETHI : Sir, the hon. Member has referred to two points. One is with regard to the question of shortages. I would also like to draw his attention to this particular sentence mentioned by Mr. Birla that India has survived many crisis and would survive the present one also.

DR. BHAI MAHAVIR : Is that the consolation you are having ?

SHRI P. C. SETHI : Therefore it is no use quoting a particular portion out of context. As far as the question of shortages is concerned, shortages of steel and aluminium were mentioned in the speech of Mr. Birla. After the recession is over the demand for steel is stepping up and the demand for aluminium also is going up. To be in a position to meet those requirements the production programme is being stepped up and is being followed up and when steel production picks up in Durgapur and when Bokaro goes through I think we will be able to take care of the steel demand by adjustment of imports.

As far as the question of employment is concerned the rate of investment declined during the recession period. Now that period is over and it is expected that during 1969-70 and in the current year 1970-71 the rate of investment would be to the tune of 12 to 13 per cent. Therefore there should be no

fear on that account. It is difficult to say with exactness the number of the unemployed. The Dantawalla Committee appointed by the Planning Commission will go into the question of the total number of unemployed persons. The Government is paying attention to the assessment of the total number of unemployed persons and their categories and the Budget of 1970-71 is a clear indication of the type of incentives we are providing for increasing employment opportunities. I would also like to add that Government is leading in investment and with more Government investment the climate for investment would also improve and that would create further employment opportunities.

**DR. BHAI MAHAVIR :** This answer that the Dantawalla Committee has been appointed and they are going into the question of assessing the total volume of unemployment has been thrown in our face a number of times in this session. What I would like to know is whether the Government thinks that unless unemployment is defined in a very scientific manner we cannot do anything about unemployment. I have not asked you about the volume of unemployment; I am not asking you to give the figure of the number of unemployed in this country. What I am asking is whether the Government is aware that by any standards, under any definition, on any basis we have a huge lot of unemployment and if that is there increased investment is no answer because all through the Plans our investment rate has been fairly high but unemployment has been increasing all the time. We have to adopt a labour-intensive technique of planning and I want to know whether any effort is being made to evolve such a technique which will create more jobs rather than create the need for more capital whether indigenous or imported. That is the point. If we know that we have a lot of unemployment what are we doing to solve that problem? The Committee will be there and it will assess the volume of unemployment but the problem would still remain.

**SHRIMATI INDIRA GANDHI :** The two things do not preclude each other. It is necessary to have labour-intensive schemes. Our rural works programme, rural work centres, construction programme, all these schemes are labour-intensive. It is when the efficiency of the country as a whole in-

creases and development goes ahead much faster, that the unemployment problem can really be solved. This is the long-term solution; all others are short-term ones just to keep the people occupied, but as development increases this problem will become lighter.

**DR. BHAI MAHAVIR :** Sir, I would only like to say...

**MR. CHAIRMAN :** No, no. Mr. Kulkarni.

**DR. BHAI MAHAVIR :** Sir, I want to know if you are satisfied with the answer that we have been given. I asked whether the present method of emphasizing on the investment ratio has succeeded in solving the problem by even a slightest degree. When development proceeds of course there will be more jobs but the defect in our present strategy has been that we have not approached this unemployment problem in the manner in which it has to be approached and there is no answer to this point.

**MR. CHAIRMAN :** Would the Prime Minister like to add anything?

**SHRIMATI INDIRA GANDHI :** No, Sir. It was part of his question. He asked whether investment had declined. We would not have volunteered that information if the hon. Member had not asked for it.

**श्री राजनारायण :** श्रीमन्, हम लोग समझे नहीं जो प्राइम मिनिस्टर साहिबा ने कहा ।

**श्री सभापति :** आप बैठ जाइये ।

**श्री राजनारायण :** हम यहाँ पर बैठने के लिए नहीं आये हैं और हम विद्यार्थी नहीं हैं क्लास के ।

**श्री सभापति :** उन्होंने जवाब दे दिया है और अब आप बैठ जाइये ।

**श्री राजनारायण :** श्रीमन्, श्री महावीर का एक सीधा प्रश्न है कि बेकारी कम नहीं हो रही है, क्यों । और सरकार ने बेकारी को कम करने के लिये क्या काम किया है इसका उत्तर उन्होंने गोलमाल में दिया है ।

श्री सभापति : इसका उत्तर दे दिया गया है ।

श्री राजनारायण : इसका उत्तर आप कृपा करके दिलाईए क्योंकि यहां पर कोई नोटकी नहीं हो रही है ।

श्री सभापति : आप तशरीफ रखिये ।

श्री राजनारायण : जब प्राइम मिनिस्टर साहिबा के ऊपर कोई मुसीबत आ जाती है तो आप मुश्किल में पड़ जाते हैं । ( Interruptions ) वह कोई प्राइम मिनिस्टर का उत्तर है ।

श्री सभापति : सवाल का जवाब आ गया है ।

श्री राजनारायण : क्या आप सवाल के जवाब से संतुष्ट हैं । अगर आप संतुष्ट हैं तो मैं बैठ जाऊंगा ।

श्री सभापति : आप बैठ जाइये ।

SHRI A. G. KULKARNI : As has been rightly pointed out to meet unemployment and encourage entrepreneurs labour-intensive industry has to grow but the great industrialist Mr. Birla has mentioned about shortages and dearth in production. Will the Government take care that the small-scale industries is a better reply for employment as well as the per head cost in employment is attractive in the small-scale industries? In this connection may I know whether the recent liberalisation policy of the Government has opened the floodgates for the bigger industrialists to enter into the small-scale sector? Will the Prime Minister assure this House that the small-scale sector is the sheet anchor of the Government's policy to meet the unemployment problem?

SHRIMATI INDIRA GANDHI : Government is giving the fullest help to the small-scale and medium sector and perhaps the hon. Member knows that the larger industrial houses are not allowed to enter this field.

SHRI K. CHANDRASEKHARAN : The hon. Minister of State stated, Sir, that the apprehensions expressed by Shri G. D. Birla in regard to serious shortage and unemployment in the

forthcoming period have been answered by Shri Birla himself when he said that as before India would be able to tide over these difficulties also but the hon. Minister has overlooked the fact that Shri G. D. Birla has emphasized the extension of the private sector to solve the forthcoming problems and the apprehensions that he has expressed. May I know from the Government that in view of the fact that we have been following a policy of mixed economy in the previous Plans and we would continue to follow the same mixed economy policy in the forthcoming Fourth Five Year Plan also instead of the undue emphasis that we have been giving in favour of the private sector in the previous years in spite of the apprehensions expressed by Shri G. D. Birla the Government would reorient its policy in regard to mixed economy and give due and greater emphasis to the public sector in which case the apprehensions expressed in part (b) would not arise at all and have a new approach in regard to economic development which is absolutely necessary?

SHRI P. C. SETHI : As far as the Government's approach to the public sector and the private sector is concerned, I would like to draw the attention of the hon. Member and of the House also that in the First Plan period the public sector industrial investments was of the order of Rs. 60 crores while the private sector was Rs. 338 crores. In the second Plan it went up to Rs. 770 crores in the public sector and Rs. 850 crores in the private sector and in the Third Plan the public sector rose to Rs. 1520 crores and the private sector to Rs. 1050 crores. In the Fourth Plan period the investment in the public sector would be of the order of Rs. 3055 crores as compared to Rs. 2150 crores in the private sector. Therefore it is very evident that the arm of the public sector is extending and recently a decision has been taken that wherever there are shortages, even if they are in such industries which according to the Industrial Policy Resolution are allotted to the private sector, the public sector would step in and the public institutions would be giving loans freely to the public sector also.

SHRI BHUPESH GUPTA : The figures are somewhat misleading. Is it not a fact that whereas every paisa invested in the public sector is account-

ed for in Government papers or semi-Government papers, investment in the private sector is not accounted for? Large investments take place without the knowledge of anybody and certainly they are not to be found in authorised documents. Now, Sir, I would like to know in what manner Shri Birla's statement is correct. Mr. Birla has said that an era of serious shortages and unemployment is impending. Instead, he should have said the era of the Birlas and monopolists instead of serious shortages and unemployment. May I know whether it is not a fact that the monopolists are also responsible in a large measure for encouraging unemployment? Now, the Birlas are closing down the Calcutta headquarters of Birla Brothers which will result in the unemployment of thousands of people. I should like to know...

SHRI S. D. MISRA : Mr. Jyoti Basu.

SHRI LOKANATH MISRA : Mr. Jyoti Basu.

SHRI KALYAN ROY : Mr. Jyoti Basu today is the best friend of the Birlas.

(Interruptions).

MR. CHAIRMAN : Please sit down.

SHRI MONORANJAN ROY : He must withdraw that. Mr. Jyoti Basu was shot at Patna this morning and these people are responsible for that.

SHRI LOKANATH MISRA : What has happened in Patna?

SHRI A. P. CHATTERJEE : Are we to listen to the chatter of Mr. Kalyan Roy? We do not want to listen to it.

(Interruptions).

SHRI NIREN GHOSH : They are the paid men of the Birlas.

(Interruptions).

MR. CHAIRMAN : Mr. Bhupesh Gupta, please continue.

SHRI BHUPESH GUPTA : Sir, I am a bit too old like you. I am approaching the evening of my life. Therefore, I do not get easily provoked. The point here is I know that my friends

will take advantage of our domestic problems and quarrels because they thrive on disunity. These gentlemen sitting there thrive on the disunity of the progressive forces certainly of the left.

(Interruptions).

SHRI A. P. CHATTERJEE : Like the two-headed Janus Mr. Bhupesh Gupta speaks in one voice and he eggs on Mr. Kalyan Roy to speak in another voice. He talks in one strain in Calcutta, in another strain in Delhi and in another strain in the Prime Minister's chamber.

(Interruptions).

SHRI BHUPESH GUPTA : You can understand it, Sir. This is my predicament. I am attacked from the extreme...

MR. CHAIRMAN : Please put your question.

SHRI BHUPESH GUPTA : I am attacked from the extreme right and I am attacked from the extreme left. Now, Sir I am not concerned with infantile disorder or the fulminations of the right...

MR. CHAIRMAN : Please put the question.

SHRI BHUPESH GUPTA : I am asking, but the sniping has started both from the right and from the left and it is significant. Now, if we go on like this, it would be difficult to put questions...

SHRI LOKANATH MISRA : You are taking shelter under the Prime Minister. That is the difficulty.

SHRI BHUPESH GUPTA : Cannon to my right and cannon to my left! I am accustomed to this...

MR. CHAIRMAN : Please put your question.

SHRI BHUPESH GUPTA : I am not accustomed to this. Now, Sir, you will appreciate...

MR. CHAIRMAN : I am appreciating you very much, but please put your question.

SHRI A. P. CHATTERJEE : He is getting inspiration from the Prime Minister.

**SHRI BHUPESH GUPTA :** That is a canard which does not pay very much, but all the same I am reminded of the Charge of the Light Brigade...

**MR. CHAIRMAN :** Five minutes you have taken.

**SHRI BHUPESH GUPTA :** Therefore, may I know what steps the Government are taking to prevent the Birlas from taking measures to retrench the workers who are employed in their concerns and prevent them from closing down their head office in Calcutta? Is the Government aware that sometimes the monopolists create artificial scarcity with a view to making extraordinary profits or super profits, whatever you may call it? What steps are the Government taking for preventing such manipulations on the part of the monopolists and also big wholesalers and others who indulge in this kind of speculation?

**SHRI P. C. SETHI :** As far as the tendency to create artificial scarcity is concerned, I think the hon. Member is aware of the credit squeeze by the Reserve Bank. That will take care of it, wherever any artificial scarcity is created. As far as the unemployment problem which has been mentioned by the hon. Member is concerned, I would certainly draw the attention of the concerned Minister, the hon. Labour Minister to it.

**श्री राजनारायण :** श्रीमन्, मैं एक व्यवस्था का प्रश्न प्रस्तुत करता हूँ। संसदीय इतिहास में यह बहुत ही अजीबोगरीब बात है कि भूपेश गुप्त पर श्री ए० पी० चटर्जी यह चार्ज लगाएँ कि प्राइम मिनिस्टर के चेम्बर में वे कुछ बोलते हैं, कलकत्ता में कुछ बोलते हैं और यहाँ पर कुछ बोलते हैं (*Interruptions*) जरा सुना जाय, तीन तरफ से बराबर यह बात उठी है कि भूपेश गुप्त प्राइम मिनिस्टर की शरण में आए हैं और प्राइम मिनिस्टर साहिबा यहाँ बैठी हैं, यह संसदीय एटीकेट है—जिसको भंग किया जा रहा है—कि प्राइम मिनिस्टर साहिबा को खड़े होकर कम से कम भूपेश गुप्त की सुरक्षा में श्रीमुख से कुछ कहना तो चाहिए।

**MR. CHAIRMAN :** This is no point of order.

**SHRI BHUPESH GUPTA :** I am well protected by Mr. Rajnarain. I do not need any protection. He is protecting me.

**SHRI S. D. MISRA :** As the statement given by Shri Birla shows and also on the admission of the Minister, there is a drop in investment. Is it not a fact, as Shri Birla has stated, besides the drop in investment, there are no new floatations which are coming up with the result there is no investment? Therefore, there is no production and no employment. That is one thing. (*Interruptions*). I should be allowed to put my question. Is it also not a fact that Mr. L. K. Jha recently while speaking at Bombay or at Madras probably stated that because no new industries are coming up, banks have surplus money and that money cannot be utilised? Therefore, there is the problem of unemployment and production. Are these facts not correct?

**SHRI P. C. SETHI :** As far as the present position is concerned, I have clearly indicated the rate of investment this year. Last year it was 12 per cent and this year it is going to be of the order of 13 per cent. Even otherwise, the number of applications for industrial licences during 1969 is very much larger than that compared to 1968. Then, Sir, the letters of intent given in 1969 are almost double than in 1968. Therefore, this is not a correct picture and these adjustments do take place from time to time. Certainly the banks can advance money to other sectors wherever it is needed. Therefore, the problem is not as has been stated by Mr. Birla. The economy is picking up both in the industrial and agricultural sectors.

**SHRI S. D. MISRA :** Is it not a fact that Mr. L. K. Jha stated in a speech in Madras that there was a lot of money lying with the banks, scheduled banks and nationalised banks and that the same is not being taken advantage of by industries for want of investment opportunities?

**SHRIMATI INDIRA GANDHI :** As far as I know, this was the situation at the very beginning of the year, but since then it has improved.

**MR. CHAIRMAN :** Mr. Sinha, last question.

**SHRI RAJENDRA PRATAP SINHA :** The Government has very correctly assessed it and the Prime Minister also has just now said that the problem of unemployment and shortages will be met by the small-scale sector. I wish the Prime Minister were aware of the feelings of this small-scale sector. She should know it from them. Only the wearer knows where the shoe pinches. The Prime Minister has said just now that the large-scale sectors are being allowed to enter into the sphere of the small-scale sector. But the small-scale sector have been representing to us that this philosophy or the resolution of the Government remains on paper but in actual practice there is an inroad into the small-scale sector by the large-scale sector. I wish the Prime Minister . . .

**MR. CHAIRMAN :** Please put your question. Do not express your wish.

**SHRI RAJENDRA PRATAP SINHA :** Will the Prime Minister accept a delegation of Members of Parliament or of the small-scale sector and know from them directly what is their problem? May I know why the policies of the Government are not being implemented?

**SHRIMATI INDIRA GANDHI :** I am always willing to meet delegations. In fact a number of them have been coming to me. I did not say that there were no inroads. There are some inroads. It is our effort and our policy to try to prevent this so far as possible.

#### NATIONAL CREDIT PLAN

\*656. **DR. SALIG RAM :**

**SHRI KRISHAN KANT :†**

Will the PRIME MINISTER be pleased to state :

(a) whether it is a fact that Government have recently decided to prepare a National Credit Plan consistent with investment priorities for the economy as a whole ;

(b) if so, by when it would be prepared ; and

(c) if not, what are the reasons therefor ?

†The question was actually asked on the floor of the House by Shri Krishan Kant.

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P. C. SETHI) :** (a) to (c) By its very nature, credit planning has to be flexible to meet emerging situations. However, certain broad priorities for the disbursement of commercial bank credit have been indicated. These will ensure that credit requirements of all viable projects in sectors, such as small farmers, small-scale industrialists, retail traders and the self-employed, which have hitherto been relatively neglected, are adequately met. These will also ensure that large-scale industry is not given excessive credit, in relation to its productive needs and that lending for speculative or unsocial purposes is stopped. Other guidelines will be given to the nationalised banks as and when considered necessary. In these circumstances, a comprehensive credit plan has not been prepared at this stage.

**SHRI KRISHAN KANT :** May I know whether the Government does not consider the desirability of having a credit plan and the criteria on which credit should be given? What can possibly be the administering agency for allotting credit between the States and between the various sectors? May I know by what time the Government of India think that they can bring out a credit plan and a suitable machinery for it?

**SHRI P. C. SETHI :** As I have stated, it is not as if there are no credit priorities. As I stated in the main body of the answer, it will have to be a flexible plan in accordance with the needs of time. For example, during the Fourth Plan there will be an additional deposit of about Rs. 3000 crores out of which 28 per cent will go to the organised industrial sector and 3 per cent will go to the Reserve Bank. Of the remaining amount of money about Rs. 400 crores will be advanced by the commercial banks to the agricultural sector. Besides this, the co-operative sector will also advance money to the tune of Rs. 750 crores for long-term credit and Rs. 7000 crores for short-term credit to the agricultural sector. So, there is a broad outline, but what I would say is that it has to be flexible in order to meet the required situations and production patterns required by the country.

**SHRI KRISHAN KANT :** May I know if it is not a fact that up till now though Rs. 9000 crores has been provi-