

LOK SABHA

Friday, August 27, 1965/Bhadra 5,
1887 (Saka).

The Lok Sabha met at Eleven of the
Clock.

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Industry's Growth

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- *239. { Shri R. S. Pandey:
Shri D. C. Sharma:
Shri Yashpal Singh:
Shrimati Tarkeshwari Sinha:
Shri P. C. Boroohah:
Shri P. R. Chakraverti:
Shri Raghunath Singh:
Shri Solanki:
Shri P. K. Deo:
Shri Narasimha Reddy:
Shri Rameshwar Tantia:
Shrimati Ramdulari Sinha:

Will the Minister of Industry and Supply be pleased to state:

(a) whether it is a fact that there has been a notable fall in the industrial growth rate during the year 1964-65;

(b) if so, the reasons therefor; and

(c) the steps taken or proposed to be taken to bring it up during the current financial year?

The Deputy Minister in the Ministry of Industry and Supply (Shri Bibudhendra Misra): (a) to (c). A statement is laid on the Table of the House.

STATEMENT

(a) The index of industrial production (1958-100) recorded an increase

of 6.4 per cent in 1964-65, as compared to an increase of 9.4 per cent in 1963-64.

(b) The slower rate of growth of industrial production was, in part, due to the fact that in several important industries, such as cement, steel aluminium, cotton spinning and jute textiles, which account for a considerable weight in the index, output had reached the limit of existing capacity. It is only with the completion of expansion and modernisation programmes in these industries, that a further spurt in output can be expected. The shortage of foreign exchange, labour disputes in some industries, shortages of power and some of the indigenous materials were other factors which affected production. Nevertheless, in important industries, such as trucks, automobile ancillaries, electrical equipment, including motors, switch-gear and transformers, construction equipment, machine tools and cutting tools, which were benefited from the IDA credit for import of raw materials and components, there was a significant increase in output last year.

(c) Within the limitations of available foreign exchange, every effort is being made to maximise the supplies of raw materials and components. Efforts are also being made to substitute imports to the maximum possible extent by indigenous production. The fiscal measures introduced during this year, including the provision for tax credits, are intended to provide incentives to increase production.

Shri R. S. Pandey: I would like to know the sectors in which there has been growth and those in which there has been no growth.

The Minister of Heavy Engineering and Industry in the Ministry of Industry and Supply (Shri T. N. Singh):

There are various sectors in which there has been some growth while there are others in which there has not been any growth. It is very difficult to give a detailed statement. Some of the general reasons have been given in the statement.

Mr. Speaker: If there is any additional information which can be supplied, it may be given.

Shri T. N. Singh: It would be a big task. If you direct me to collect it, I will do so.

Shri R. S. Pandey: May I know how far the restrictions on import of raw materials have affected the growth? Secondly, is it a fact that it is the small-scale sector which is affected more?

Shri T. N. Singh: It is true that the small-scale sector is affected more because of the scarcity of raw materials.

श्री यशपाल सिंह: क्या यह सही नहीं है कि कंट्रोल की वजह से यह प्रगति रुकी हुई है और अगर कंट्रोल हटा दिये जायें तो प्रगति बढ़ेगी ?

श्री त्रि० ना० सिंह: यह बात नहीं है ।

Shrimati Tarkeshwari Sinha: May I know whether Government have made any assessment about the non-utilisation of the resources which have already been geared towards productive efforts and, if so, has the percentage been worked out?

Shri T. N. Singh: We have not worked out the percentages for each and every industry. It is very difficult to give that figures.

श्री रघुनाथ सिंह: इस में पार साल से उत्पादन में तीन सैकड़ा की जो कमी हुई है, वह कौन सी इंडस्ट्री में सब से ज्यादा हुई

है और उस इंडस्ट्री में कमी का कारण क्या है ।

Shri T. N. Singh: Take, for instance, the decline in coal output. There has been the piling up of coal in the coal industry because the off-take was not good. Thus, the demand has also affected the rate of growth. No doubt, scarcity of raw materials has affected production in certain areas. But in other areas there has been larger production also.

श्री रामेश्वर टांटिया: इस स्टेटमेंट में बताया गया है: "शार्टेज आफ फारेन एक्सचेंज लेबर डिस्पूट्स इन सम इंडस्ट्रीज, शार्टेज आफ पावर एंड सम आफ दि इंडिजिनस मैटीरियल्स वर अदर फैक्टर्ज विच एफेक्टिड प्राडक्शन !" मैं यह जनना चाहता हूँ कि सरकार ने चतुर्थ पंच-वर्षीय योजना में कितना परसेंट इंडस्ट्रियल प्रोग्रस तय की है और इस संबंध में जो कठिनाइयाँ बताई गई हैं, उन को दूर करने के लिये क्या उपाय किये गये हैं ।

श्री त्रि० ना० सिंह: अभी तो चतुर्थ पंच-वर्षीय योजना की रूप-रेखा पूरी तरह से नहीं बनी है । मैं इस के बारे में रेट आफ प्रोग्रस आंकड़ों में बता सकूँ, यह बड़ा मुश्किल है ।

Shri P. C. Borooah: May I know whether the hon. Minister observed in a Seminar on Plan utilisation on 23rd May that over and above the various factors preventing the full utilisation of the capacity, there is also the psychological factor which prevents the maximum utilisation of the capacity. If so, may I know to what extent the Government consider the psychological factor as responsible for low production?

Shri T. N. Singh: The hon. Member knows that psychology is an intangible factor. It is rather difficult for me to give offhand a precise figure from an intangible factor.

श्री म० ला० द्विवेदी: मैं यह जनना चाहता हूँ कि क्या फारेन एक्सचेंज और

रकेयर्स रा मेटेरियल की कमी की वजह से सरकार का विचार स्माल-स्केल इंडस्ट्रीज को और कम करने का है, यदि हां तो क्या मंत्रालय अपने मेटेरियल के लिये प्लानिंग कमीशन पर पूरा जोर नहीं दे पाता है और यह कमी कब तक रहेगी।

Shri Bibudhendra Misra: There is no question of restricting the small-scale industries as such, because the small-scale industries are very vital for the decentralised economy. All that is being attempted is, in view of the shortage of foreign exchange, Government has decided not to encourage new small-scale industries which depend mainly on imported raw materials. In fact, the small-scale industries are being asked to base their production on indigenous materials available in the country.

श्री भागवत झा आजाद: यह बात तो समझ में आती है कि लघु उद्योगों में इस लिये कमी हुई कि उन के पास कच्चे माल और वित्त की कमी थी, लेकिन बड़े उद्योगों में भी कमी का क्या कारण है, जिन को सरकार हर प्रकार की वित्तीय और कच्चे माल संबंधी सहायता देती है। क्या यह सत्य नहीं है कि इन बड़े उद्योगपतियों के पास और उद्योग थे, जिन में उनके मुनाफे अधिक थे, जिसकी वजह से इस क्षेत्र में कमी हुई ?

Shri Bibudhendra Misra: That is not the reason. The fact is that so far as the big industries are concerned, I mean the industries that have been licensed under the Industries Development and Regulation Act, once the licence is granted, that means the raw material position is also taken into consideration. They are assured of some raw materials. So far as the small industries are concerned, there has been a free growth which has not been regulated and there has been an enormous growth of small-scale industries during the last 10 years. Of course, the raw material is given to them through the State Governments. But the growth has been such and the consequent

shortage of the raw material has been such that it has become difficult to meet the actual needs of the small-scale industries. Therefore the Government had appointed a committee

Shri Bhagwat Jha Azad: That was not my question. Let Mr. Singh say whether it was my question. I am asking about the big industries.

Mr. Speaker: Probably he has said more than what he wanted.

Shri Bhagwat Jha Azad: My question was entirely different. If he does not understand it, let Mr. Singh reply. He has understood as if I asked for small industries. I asked for big industries. Why should the answer be entirely in a different way?

Shri T. N. Singh: He dilated a little on the problems of small sector. I may add this that, by and large, it cannot be said that the large sector has been starved of the raw materials. They have had some shortfalls because of some foreign exchange difficulties. But, as I said, there have been certain psychological and other factors also.

Shri S. M. Banerjee: I want to know whether it has been brought to the notice of the hon. Minister that in the textile units which are manufacturing medium and coarse cloth, there is a slump in the market and there is no international market for export and also there is mismanagement and hence they are suffering and, if so, whether the Government is likely to take over the units which are mismanaged both in textile and jute industries.

Shri T. N. Singh: Whenever such cases come to our notice, we order an enquiry. We have taken some steps in certain cases. We shall take necessary action in other cases also if and when considered necessary.

Import of T. V. Sets

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{ **Shri P. C. Borooah:**
Shrimati Savitri Nigam:
 *240. { **Shri Rameshwar Tantia:**