

they produce four thousand million metres of cloth just like in the composite mill sector? The licensing in that sector is only 5 per cent. May I know whether the Government will foreclose the licensing of private cotton mills and encourage the cooperative cotton mills?

SHRI C. SUBRAMANIAM : Applications from cooperative societies will be given preference.

श्री मान सिंह वर्मा : माननीय मंत्री जी ने अपने उत्तर में यह स्वीकार किया है कि काफी प्रयत्न करने के बाद भी कोआपरेटिव मूवमेंट अपने देश में सफल नहीं हो सका है। इस बात को दृष्टि में रखकर जब तक इसकी सफलता अपने उद्देश्य को प्राप्त न कर सके, क्या ज्वाइंट सेक्टर में लाइसेंस ज्यादा देने की बात सोचेंगे ?

SHRI C. SUBRAMANIAM : Sir, this is a hypothetical question. Certainly, we take into account the capacity to be reached in each area and with reference to that, if it is not possible to have in one area, the other areas will be tried.

#### EFFECT OF PRICE INCREASE ON PLAN TARGETS

\*610. SHRI DAHYABHAI V. PATEL :†

SHRI M. K. MOHTA :

SHRI JAGDISH PRAŠAD MATHUR :

SHRI K. C. PANDA :

SHRI LOKANATH MISRA :

SHRI K. P. SINGH DEO :

Will the Minister of PLANNING be pleased to state :

(a) whether the prices of various essential commodities and industrial articles have been considerably increased during the last two years;

(b) if so, the details thereof;

†The question was actually asked on the floor of the House by Shri Dahyabhai V. Patel.

(c) the extent to which increased prices would effect plan targets; and

(d) whether there is any proposal under Government's consideration to revise these targets consequent upon heavy rise in prices?

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI MOHAN DHARIA) : (a) to (d) A statement is laid on the Table of the House.

#### STATEMENT

A Table indicating the changes in the wholesale price index in respect of selected commodities and industrial articles during the last two years viz., 1971 and 1972 is enclosed. Prices of agricultural commodities have considerably risen, particularly in the latter half of 1972 onwards. However it is difficult to quantify the impact of price changes on Plan targets as other factors like availability of inputs, timeliness in the implementation of the Plan programmes, whether conditions also exert their influence.

The outlays and the targets for the Annual Plan 1973-74, the final year of the Fourth Plan are being fixed keeping in view these factors including changes in prices.

#### TABLE

*Increase or decrease in index of wholesale prices for certain selected essential commodities and industrial articles during the years 1971-72*

Selected Commodities or Sub groups	Percentage increase/decrease in index of wholesale prices in	
	— 1971 over 1970	1972 over 1971
1	2	3
1. Food Articles . . .	108	11.4
(i) Foodgrains . . .	marginal	13.3
(a) cereals . . .	—1.1	10.8
rice . . .	0.3	10.4
wheat . . .	—3.0	4.6

1	2	3
(b) Pulses . . .	5.9	22.1
(ii) Sugar . . .	3.4	26.0
(iii) Edible oils . . .	-8.9	2.3
(iv) Vanaspati . . .	-6.2	2.0
2. Manufactures . . .	7.8	5.5
(i) Cotton manufac- tures . . .	14.0	2.7
(ii) Leather shoes . . .	3.5	3.7
(iii) Drugs and medi- cines . . .	7.5	no change
(iv) Rubber Tyres and tubes . . .	0.6	1.1
(v) Soap . . .	4.1	0.8
(vi) Matches . . .	no change	no change
(vii) Kerosene . . .	3.9	9.1

SHRI M. K. MOHTA : Sir, the statement makes interesting reading. It says—

“However, it is difficult to quantify the impact of price changes on Plan targets.”

I do not understand this. Unless the effect of the price rise is properly assessed, how will the future Plans be drawn up by the Government? May I ask the hon. Minister whether any machinery at all exists with the Planning Commission or the Planning Ministry to really assess the effect of price rise because the money cost of all the projects is rising and if the implementation is only in money terms and not in physical terms, everything would be lagging behind. What exactly is the machinery for assessing and re-drawing up the Plans on the basis of the findings reached by such a survey?

SHRI MOHAN DHARIA : Sir, I have said in my reply that it is not only the price rise but the average of inputs and several other factors which are very relevant. Naturally, it is not possible to say the exact impact. I have given the correct reply. Sir, there is a machinery in the Planning Commission to evaluate from time to time, and while formulating further programmes or plans every care is taken having regard to the price rise, what shall be the total outlay.

SHRI M. K. MOHTA : Sir, I seek your protection. There is contradiction

in the reply. First of all, he says that it is difficult to quantify. Then he says that there is a machinery. Only one of the two things must be correct.

MR. CHAIRMAN : No, no.

SHRI M. K. MOHTA : Sir, the statement says that “it is difficult to quantify the impact of price changes on Plan targets”...

श्री जगदीश प्रसाद माथुर : चौथी पंच-वर्षीय योजना के आखिरी वर्ष को हम प्रारम्भ करने वाले हैं। तो अब तक के जो टारगेट्स हमारी चौथी पंचवर्षीय योजना के थे, क्या आपकी अब तक की कल्पना के अनुसार, इवेल्युएशन के अनुसार हम उन टारगेट्स को आखिरी वर्ष में पूरा कर लेंगे, या कि हम उनसे पीछे रहेंगे ?

SHRI MOHAN DHARIA : Sir, in the Mid-term Appraisal document we have stated to the House that in money terms it may be possible for us to fulfil the targets, but in physical terms there may be a shortfall of about 10 per cent.

SHRI LOKANATH MISRA : Sir, the reply given by the hon'ble Minister goes to show that we are pursuing the path of unplanned planning.

SHRI SITARAM KESRI : Planned planning.

SHRI LOKANATH MISRA : I wonder if he has understood anything at all. Oh, you have, understood that it is planned planning.

MR. CHAIRMAN : Please go on.

SHRI LOKANATH MISRA : Sir, the statement does not contain prices for essential commodities like cement and iron and steel. He has given a long list of other things, things of minor importance compared to cement and iron and steel. In the field of planning may I know whether there has not been sharp rise in the prices of these two commodities? And can I ask him whether he can rely on these figures. If he is a theoretician he can rely on these figure. But I am a realist and I cannot.

MR. CHAIRMAN : He knows what you are.

SHRI LOKANATH MISRA : I put him this question. If he is a theoretician he might believe these figures, but as a realist can he get the things on the prices which are enumerated here in the market ?

SHRI MOHAN DHARIA : Sir, the question was for essential commodities and articles. Naturally, I gave the reply.

SHRI LOKANATH MISRA : Sir, I submit...

MR. CHAIRMAN : I want to go to the other question.

SHRI LOKANATH MISRA : If no answer is available, then it can cover the whole question. So far as the plans are concerned cement and iron and steel are the most essential articles. If he does not consider them essential, then there is no planning in this country at all.

SHRI MOHAN DHARIA : I do consider that cement and iron and steel are important articles. The question was for essential commodities. Naturally I gave that reply...

DR. BHAI MAHAVIR : The question covers industrial articles.

MR. CHAIRMAN : The question says "essential commodities and industrial articles".

SHRI MOHAN DHARIA : Here we have given the figures. I entirely agree that we could have supplied that information also.

SHRI LOKANATH MISRA : Then there is lacuna in answering the question. Sir, you must pull up the Minister.

SHRI D. P. DHAR : With your permission. Sir, may I clarify the position? We have not indicated in this statement the increase in the price of the commodities which the hon'ble Member has mentioned. I would, however, for his information submit that the increase in industrial raw material has been very,

very marginal. For example, in 1970 it was 0.4 and in 1972 it was—1.3. When we talk of prices we talk of genuine, honest prices. We are not interested in blackmarket prices. As far as the steel prices are concerned, there has been an increase, but that increase has not been so substantial as to affect the fiscal value or the financial value of the Plan targets substantially.

SHRI C. D. PANDE : May I know whether the attention of the Government or the Minister has been drawn to the fact that there are certain schemes involving crores of rupees which are lingering for a long period, longer than was stipulated at the time of their inception? I will give two or three examples. The Khatri Copper Project was started 1960, but it is still in its infancy and no results have come. A sum of Rs. 100 crores has been invested without any results so far.

MR. CHAIRMAN : Mr. Pande, kindly confine yourself to the question.

SHRI C. D. PANDE : Yes, Sir, I would like to know whether the longer period does not increase the cost from, say, Rs. 60 crores to Rs. 100 crores, without any results. So is the case of the aluminium project in Korba. Or I can give another example...

MR. CHAIRMAN : Do not give too many examples. I want to call some other Members also.

SHRI C. D. PANDE : In the Ramganga project, Rs. 100 crores have been invested, but there have been no results so far. I would like to know whether the lingering of the projects does not lead to an increase in the cost of the Plan projects.

SHRI D. P. DHAR : Sir, the hon. Member has stated the obvious. It is very natural that when a project is allowed to proceed tardily and is not completed within the prescribed period, the prices are bound to appreciate and the value of the project is also bound to appreciate. What is needed is that we should take a variety of steps, and we are contemplating to take a variety of

steps by which the gestation period, the construction period, of these projects is brought within the stipulated time schedule.

**SHRI KRISHAN KANT :** May I know from the hon. Minister whether he is aware that an assessment has been made that with the present price rise, if we want to fulfil our targets, the Fifth Plan will have to be of the order of Rs. 65,000 crores and not Rs. 50,000 crores? Is he also aware that the biggest contributing factor to the price rise is the black-money economy which cannot in any way be curtailed by the present methods of distribution or production or fiscal control by the banks?

**MR. CHAIRMAN :** That will do.

**SHRI KRISHAN KANT :** Yesterday Mr. Khadilkar said in this House that our economic system is a black-money generating system. May I know whether the Government is going to take economic as well as political decisions, hard decisions, so that this black-money economy goes?

**SHRI D. P. DHAR :** Sir, the question relates to the Fifth Plan period, and I would draw the kind attention of the hon. Member to some of the basic postulates that have been worked out in the Approach to the Fifth Plan paper. It is very obvious, Sir, and I am in complete agreement with the hon. Member, that we shall have to formulate adequate policies, economic as well as political. We shall have to take adequate decisions, hard decisions, but sensible decisions with regard to aiding and assisting the successful fulfilment of the Plan.

**MR. CHAIRMAN :** Next question.

\*611. [Transferred to the 27th March, 1973]

# †INDO-SOVIET JOINT COMMISSION

\*524. **SHRI M. K. MOHTA :**†  
**SHRI LOKANATH MISRA :**  
**SHRI DAHYABHAI V.**  
**PATEL :**  
**SHRI K. C. PANDA :**

Will the Minister of PLANNING be pleased to state

(a) when the next meeting of the Indo-Soviet Joint Commission is likely to take place; and

(b) the subjects likely to be discussed at the coming meeting of the Joint Commission?

**THE MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI MOHAN DHARIA) :** (a) The next meeting of the Inter-Governmental Indo-Soviet Commission is likely to take place in 1974 in Moscow.

(b) The subjects likely to be discussed at the coming meeting shall be determined in due course subject to agreement between the two countries, not later than one month prior to the date of the proposed meeting.

**SHRI M. K. MOHTA :** May I ask the honourable Minister whether he will assure the House that the discussion that will take place in the Joint Commission meeting will be not of such a nature as to make our economy subservient to the Soviet economy?

**SHRI D. P. DHAR :** This is a question which I think does not arise at all. If the honourable Member is aware, of the sense of dignity, the sense of pride, the sense of honour, that all of us have in this country. Therefore, we are not going to make our economy or our policies subservient to that of any foreign country.

**MR. CHAIRMAN :** Question Hour is over.

†Transferred from the 16th March, 1973.

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