

Year Plan is likely to be fulfilled within the specified period?

Shri T. T. Krishnamachari: I have to plead that this subject does not entirely fall within the competence of the Commerce and Industry Ministry, because shipping goes with transport and ship-building goes with production. Since the question was sent to me, I tried to answer it to the best of my ability.

Mr. Speaker: Can the Minister of Production help?

The Minister of Production (Shri K. C. Reddy): According to the present understanding, the target of the Plan for ship-building is expected to be fulfilled up to about 80 per cent. of the target.

Shri B. S. Murthy: May I know what steps have been taken to step up production at the Visakhapatnam Ship-building Yard?

Shri K. C. Reddy: The expansion plan submitted by the French experts has been carefully considered by the Board of Directors of the Shipyard as well as by Government. An expansion programme costing about Rs. 180 lakhs has been sanctioned by Government recently. A third berth has been added. A fourth and a fifth berth are under construction, and several other steps are being taken to enable the Shipyard to build about six to eight ships a year.

Shri Sarangadhar Das: May I know if the shipping companies asked that the terms of financing the increased tonnage should be liberalised, and have Government taken up this question?

Shri K. C. Reddy: This question has to be answered by the Minister of Transport.

COTTON PRICE CONTROL

*305. **Shri S. N. Das:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether Government have given their consideration to the question of

lifting the control on the price of cotton; and

(b) if so, with what result?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari):

(a) Yes.

(b) Government have decided to continue the control on prices of cotton during the current season.

Shri S. N. Das: May I know the important factors that led to the control, and whether they still exist or any of them has been eliminated?

Shri T. T. Krishnamachari: The decision was taken fairly early—some time in June last year—to continue the controls, and controls mean the fixing of a floor price as well as a ceiling. If it goes below the floor price, the Government have an obligation to buy. Since that assurance was given, we could not take off control, even if we wanted, in the middle of the season. The policy for the future will be decided some time in the middle of this year. So far as control in regard to movement of cotton is concerned, the licences in regard to "A", "B" and "C" have been considerably liberalised, but a certain amount of control in regard to allocation of cotton to individual mills is still retained.

Shri S. N. Das: May I know the trend of prices during the year 1953?

Shri T. T. Krishnamachari: The trend of prices during 1953 follows the usual pattern. It was fairly low at the beginning of the season. It has been going up. Now the standard variety *Jarillas* are well above the floor and they range from Rs. 700 to Rs. 720. Sometimes they come down a little. The trend really is upward. Whether it would go upward so far as to pierce the ceiling, I cannot say.

Shri K. G. Deshmukh: May I know whether there was a demand from the cotton growers or cotton traders, or the Government is taking this action on their own accord?

Shri T. T. Krishnamachari: Which action? I cannot understand.

Shri K. G. Deshmukh: Lifting of the price of cotton.

Shri T. T. Krishnamachari: We have not lifted control. It is still there.

Shri Gadgil: May I know whether this policy of the Government of decontrolling the price of cloth and controlling the raw material leads to the disaster of the consumer and the benefit of the producer?

Shri T. T. Krishnamachari: The position really is this. The two things are not quite linked up for the reason that we have to encourage the producer to produce more cotton. We are short in regard to our needs of cotton. So we have to import anything between 8 and 12 lakhs bales a year, and unless we give a floor price at which the producer will feel sure that he can sell his cotton, it is felt by my advisers, the Food and Agriculture Ministry, that production of cotton would not maintain the present upward trend.

Shri Bogawat: May I know the reason why there is continuous rise in the price of cotton?

Shri T. T. Krishnamachari: It is more than I can say. Cotton is now under the operation of the forward market and it is a matter of expectations. The moment we announced that we were going to allow import of American cotton, prices came down by 30 rupees. It is rather difficult for me to tie down the vagaries of the market to any particular reason.

CHEMICAL INDUSTRIES

*306. **Shri Nanadas:** Will the Minister of Commerce and Industry be pleased to state:

(a) the total installed capacity for the production of sulphuric acid, caustic soda, liquid chlorine, bleaching powder, superphosphate and bichromates; and

(b) the percentage of capacity lying idle at present in the above industries and the reasons therefor?

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): (a) and (b). A statement is laid on the Table of the House. [See Appendix I, annexure No. 56.]

Shri Nanadas: It appears from the statement that 40 to 80 per cent. of the installed capacity of the chemical industry could not be utilised for want of demand for the products. May I know what are the obstacles that stand in the way of adequate demand for these products, and what steps have the Government taken to remove those obstacles?

Shri T. T. Krishnamachari: I would refer the hon. Member to the statement, which gives the reasons which we can possibly state in response to the question put by the hon. Member.

Shri Nanadas: May I know whether the Indian Chemical Manufacturers' Association suggested certain measures for utilising the idle capacity, one of them being the restriction of foreign capital to such industries as require highly specialised technique and large capital not available locally? If so, what decision have the Government taken in this matter?

Shri T. T. Krishnamachari: I cannot see how this particular suggestion can be related to the non-utilisation of existing capacity, because I do not think foreign capital enters into competition in those lines in which production has not been as good as it is wanted to be.

Shri Meghnad Saha: May I know if one of the causes why indigenous products are not in demand is their very high price compared to the same products coming from foreign countries?

Shri T. T. Krishnamachari: It is a well-known economic doctrine that when there is a lessening of demand, price is a very important factor contributing to such lessening of the demand. From that point of view, I think the hon. Member, who is a professor of science, was quite right.

Shri Meghnad Saha: What steps are being taken to bring the indigenous