

and because of this Rs. 440 crores of subsidy would be reduced and we would not cross the Rs. 2,000 crore mark.

**SHRI NIRMAL CHATTERJEE:** Sir, it would be the curiosity of the century that while petroleum prices are coming down, the Fertiliser prices are going up. My question is in Industry there is a concept of backward districts but in agriculture there is none uptill now. Would the Minister consider this question because dependent upon the S. R. Sen Committee report, the entire eastern region is backward and many districts, which are backward, can be discovered there? Can he make some arrangement where the rate of subsidy for these backward districts would be increased for fertilizers?

The other part of the question is when there is a shortage in domestic production, why is it that instead of winding up or closing down a few units they are not being modernised so that the dependence on import of fertilizer is reduced a little?

**SHRI R. PRABHU:** As far as the first part of hon. Member's question is concerned, the ultimate price of fertilizer at any point of India is the same, be it in the southern region or the north-eastern region or the north-western region.

As far as the second part of his question is concerned, I do not see how we can shut down units like that. Employment aspect has to be taken care of. There are various proposals with the Government to modernise the plants which are not running properly and which are sick, and these proposals are under consideration.

**MR. CHAIRMAN:** Next question.

**SHRI NIRMAL CHATTERJEE:** I asked about giving financial subsidy to the backward districts. He has said about the existing situation of the selling price...

**MR. CHAIRMAN:** No, no. Next question.

\*264. [The questioner (Shri Pramod Mahajan) was absent. For answer, vide col. 34-35 infra.]

\*265. [The questioner (Shri Parvathaneni Upendra) was absent. For answer, vide col. 35-36 infra.]

#### Distribution of fertilisers

\*266. **SHRI RAMKRISHNA MAZUMDER:**

**SHRI CHITTA BASU:†**

Will the Minister of AGRICULTURE be pleased to refer to the reply to Unstarred Question 557 given in the Rajya Sabha on the 7th November, 1986 and state what steps Government propose to take to ensure proper distribution of fertilisers for optimum use?

THE MINISTER OF STATE IN THE DEPARTMENT OF FERTILIZER IN THE MINISTRY OF AGRICULTURE (SHRI R. PRABHU): A Statement is laid on the Table of the Sabha.

#### Statement

The Government have already taken a number of steps to ensure proper distribution of fertilisers for optimum use. The present system of distribution of fertilisers consist of the following steps:—

##### (1) Assessment of Demand

The requirement of fertilisers for each State/Union Territory/Commodity Board is assessed before the beginning of each crop season. This is done in consultation with the State Governments/UTs/Ministry of Railways/Planning Commission/Fertiliser Industry and various Commodity Boards.

##### (2) Allocation

After assessing the requirement of fertilisers, allocation of indigenous fertilisers is made to cover the requirement of each State/UT/Commodity Board and short-fall if any, is made up by allocating the requir-

†The question was actually asked on the floor of the House by Shri Chitta Basu.

ed quantity of imported fertilisers.

The stocks available in the country on 1-4-86 i.e. at the beginning of the current year 1986-87 were covered under allocations made for the kharif '86 season (April to September, 1986). Stocks available with indigenous fertiliser manufacturing units as on 1-10-86 and their likely production during the period October '86 to March '87 have been allocated to various States and Union Territories/Commodity Boards for Rabi 1986-87 (October '86 to March '87). Any shortfall between demand and the indigenous availability will be met by imported fertilisers.

**(3) Steps to ensure proper distribution of fertilisers for optimum use**

(i) The pattern of allocation is decided in such a manner that every State gets its requirement from the nearest production unit or port. In the case of urea, which accounts for the largest quantity of fertiliser consumed in the country, certain specific areas/number of districts in the State are indicated in the supply plan. However, the State Governments have been given the option of allocating one or two additional contiguous districts to the unit for supply of urea only, covering not more than 10 per cent of the total quantity of allocation given to the unit in the State, in case the State considers it absolutely necessary. The States/UTs have also been advised to make district-wise allocation of urea and single super phosphate. This has been done with a view to minimising the cost of transportation, which is borne by the Government of India, besides avoiding crop movement of fertilisers. This will also ensure adequate availability of fertilisers in all parts of the country.

(ii) From October, 1986, the States have been advised to nominate a lead manufacturer for each district and one for the State as a whole, in consultation with the fer-

tiliser industry. This has been done with a view to associating the fertiliser industry more intimately with the State Department of Agriculture, in assessing the requirement of fertiliser at the district level, popularising the use of fertiliser in the rainfed areas in improving the system of collection of fertiliser statistics, in opening of additional retail outlets and in training of fertiliser dealers and farmers for handling and use of fertilisers. This will ensure proper distribution of fertilisers throughout the country, including the rainfed areas.

(iii) There are 432 soil testing laboratories in different parts of the country to advise the farmers on the balanced use of fertilisers to obtain the optimum returns on their investment in this input.

**(4) Review of availability and Consumption**

The requirement of fertilisers is assessed, assuming that the seasonal conditions would be normal. However, the seasonal conditions are not always normal in some part or the other in the country. It, therefore, becomes necessary to constantly review the position of fertiliser availability and consumption trends and take necessary steps to meet the situation. For this purpose, periodic reviews are undertaken both for ensuring adequate supply to different States/Union Territories/Commodity Boards as well as to adjust the import requirements from time to time.

**SHRI CHITTA BASU:** According to the information available with me, the stock of the fertilizer is increasing. The stock of the fertilizer in these years was within the region of 1.6 million tonnes and according to the information available from the Department of Fertilizer the current output target is 6.9 million tonnes. This will increase the wasteful accumulated stock. This fertilizer stock consists of both indigenous production and also imported one. In this background of accumulated stocks being on the increase, may I know what particular steps Government propose to take to distribute these accumulated stocks of fertilizer in the greater interest of the agricultural production.

**SHRI R. PRABHU:** Sir, I would first like to assure the hon. Member that the Government is interested in the agricultural development in this country. It is true, we have certain accumulated stocks and a large inventory this year. I do not know about the figures quoted by you but it is about 23 lakh tonnes which is given in the answer and we have to take into account here the overall situation of the economy. Basically, Indian economy predominantly is an agricultural economy and we have to take a zero risk approach. Therefore, we cannot let the farmers suffer. If we have a little more in the pipeline, we cannot help it because the last three successive monsoons were bad. Kharif 1985 was bad, rabi 1985-86 was bad and kharif 1986 was bad. When planning is done, we plan taking into account that the monsoon would be good, that the season would be good. But unfortunately for us, because of these three consecutive failures, stocks accumulated to the tune of 23 lakh tonnes. But this is only a marginal increase: if you take into account the figures for the last four years. The opening stock on 1-4-82 was 20.27 lakh tonnes; on 1-4-83—19.55 lakh tonnes; 1-4-84—9.92 lakh tonnes; 1-4-85—15.58 lakh tonnes and on 1-4-86—23.4 lakh tonnes. Now, only in two years, there has been a problem. In 1984, when the

stock was 9.92 lakh tonnes, there was problem because enough fertiliser was not available. You know what happens when there is not enough fertiliser. The penalty to the economy is much more when there is less fertiliser available than when there is more. You cannot take that risk.

**SHRI CHITTA BASU:** May I know from the Hon. Minister whether the Government propose to introduce a dual pricing system in fertiliser? If the poorer sections of the peasants are provided with fertiliser at cheaper rates, it would be of much help to them and it would also help us in stepping up agricultural production. Would the Government therefore, consider the proposal of introducing a dual pricing system in fertiliser?

**SHRI R. PRABHU:** Sir, it would be very difficult for us to introduce a dual pricing system in fertiliser. If we introduce a dual pricing system, selling at a lower price for small and marginal farmers, it would be very difficult to identify them. This is because, small and marginal farmers comprise 75 per cent of the farmers. Out of 96 million farmers in this country, perhaps, 65 million are small and marginal farmers. Therefore it would be very difficult for us to identify these farmers and give fertiliser at a lower price to them. But there are a lot of other incentives given to these farmers. Government is having various schemes for small and marginal farmers. Therefore, Government is not thinking of introducing a dual pricing system.

**SHRI GHULAM RASOOL MATTO:** The hon. Minister has said that because of drought during the last two years, the fertiliser offtake was low. The situation is such that when the farmer has a year of drought, next year, when he starts ploughing, when he starts sowing seeds, he has no money to buy fertiliser. Will the Government consider, in the context of the accumulated stock, giving fertilisers on loan which can be recovered when the crops are harvested?

SHRI R. PRABHU: Sir, the State Governments are given loans from the Central Government, about Rs. 250 crores, to carry fertilisers for a period of time, to give to farmers. But we will certainly examine the suggestion of the hon. Member.

**Dues payable by ITDC to NDMC for Akbar Hotel**

\*267. SHRI V. GOPALSAMY;

SHRI T. R. BALU:

Will the Minister of URBAN DEVELOPMENT be pleased to state:

(a) whether it is a fact that the ITDC had handed over Akbar Hotel to the New Delhi Municipal Committee (NDMC) since it closed down its operations in April, 1986;

(b) if so, whether the India Tourism and Development Corporation (ITDC) have paid all its dues to NDMC; if not, what amount is still due from ITDC; and

(c) what steps are being taken to recover these dues from ITDC?

THE MINISTER OF URBAN DEVELOPMENT (SHRIMATI MOHSINA KIDWAI): (a) No, Sir. The ITDC handed over Akbar Hotel directly to the Ministry of External Affairs in April, 1986.

(b) and (c) According to the NDMC, a sum of Rs. 27.93,318.72 is outstanding against ITDC for the period ending 31st March, 1986, which is subject to variation after inspection/reconciliation of ITDC's accounts for the year 1985-86. Necessary steps will be taken by the NDMC to recover these dues after the inspection/reconciliation of ITDC's accounts for the year 1985-86 has been carried out by them.

SHRI V. GOPALSAMY: Mr. Chairman. Sir, I am very much surprised by the misleading reply of the hon. Minister. The Minister says that the ITDC handed over the Akbar Hotel

to the Ministry of External Affairs. Sir, Akbar Hotel was constructed in 1969 in the diplomatic enclave comprising 17 floors with 162 bedrooms. The ITDC expanded it again in 1980 at a cost of Rs. 2 crores. 70 lakhs. The NDMC was getting a revenue, through licence fee of Rs. 20-35 lakhs annually. For example, for the year 1982-83, the amount is Rs. 41.56 lakhs because Akbar Hotel was running in profit, except for the last two years. Sir, I would like to know from the Minister whether the NDMC raised objections to ITDC handing over this complex and closing down the hotel. That is my first point. How could the ITDC hand over the complex which was constructed by NDMC to the Ministry of External Affairs? I remember during the last session the Minister gave me the reply that Akbar Hotel building had been handed over to NDMC. That is why, the reply is misleading. I would like to know from the Minister what has been the annual revenue loss suffered by NDMC for conversion of Akbar Hotel property into office complex, by the Ministry of External Affairs.

SHRIMATI MOHSINA KIDWAI: The question was regarding dues against ITDC for the NDMC; but I will reply to the point raised by the hon. Member. NDMC was not running the hotel. The hotel was being run by ITDC...

SHRI V. GOPALSAMY: That is known.

SHRIMATI MOHSINA KIDWAI: NDMC handed over this hotel building to ITDC, in consultation with the Home Ministry which is the administrative Ministry for the NDMC. This hotel building was given to Ministry of External Affairs for their office accommodation because they badly needed office accommodation. I think the ITDC was giving licence money to NDMC. I do not know from where the hon. Member has got the figures.

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