

SHRI L. N. MISHRA : There is no difficulty, but it depends on individual cases. The case are referred to the NTCI and we have already taken over about 45 sick mills.

SHRI PRANAB KUMAR MUKHERJEE : In the statement submitted by the hon. Minister it has been stated that the West Bengal Government has expressed its inability to establish a State Textile Corporation due to financial considerations. May I know whether any financial assistance to establish a state Textile Corporation would be given by the Union Government the West Bengal Government ? Further, I would like to know whether, in the case of Tamil Nadu, Gujarat and Maharashtra where the State Textile Corporation have been set up, the expenditure incurred in setting up such textile corporation has been fully met by the State Government from their own resources or the Central Government has rendered any assistance and, if so, to what extent.

SHRI L.N. MISHRA : According to the formula 51 per cent investment is made by the Central and 49 per cent by the State Government. When we suggested to the West Bengal Government to set up their own corporation and manage their mills, they expressed their difficulties, especially financial difficulties. We told them that assistance through financial institutions we can manage for them also, but they did not want it. I would like to make a small statement giving the latest position. As at the end of March, 1972, 13 mills were reported to be closed besides those considered fit for scrapping. Out of these, 4 mills have since been taken over and 2 more mills have been cleared for take-over regarding which notifications are likely to issue shortly. Besides, the cases of 5 more mills are under different stages of investigation and as soon as the Investigation Committee's reports are available, prompt action will be taken. As regards the balance of the mills out of 14, including one powerloom unit, there are legal and other difficulties which have prevented us so far from taking action under the Industries [Development and Regulation] Act. These cases are under examination. About the other States, we have also advanced money to them and they have also invested it. I mean the States of Tamil Nadu and Maharashtra.

SHRI K. P. SUBRAMANIA MENON: May I know whether the Krishnamurthy Committee set up by the Government of India under the Industries (Development and Regulation) Act, to look into the problem of taking over the Balarama Varma Textiles in Shencottah has recommended that this Mill is a viable mill fit to be taken over by the Central Government and whether the Government of India has still not taken a decision regarding the taking over of this mill and, if so, what are the reasons for delaying the taking over of this mill ?

SHRI L. N. MISHRA : I have no information about individual mills. I will try to find out and let the hon. Member know about it.

298. [The questioner (Shri A.G. Kulkarni) was absent. For answer, vide cols, 46-47 *infra*]

EXPORT OF IRON ORES

299. SHRI M. K. MOHTA : Will the Minister of FOREIGN TRADE be pleased to state :

'a) whether Government have made any study with regard to the comparative quality of iron ores supplied to Japan by India on the one hand and by Brazil, Australia, U.S.A., and other countries on the other and if so, the outcome thereof ; and

(b) how the price paid for Indian iron ore compares with the price paid by Japan to other countries ?

THE DEPUTY MINISTER IN THE MINISTRY OF FOREIGN TRADE (SHRI A. C. GEORGE) : (a) and (b) Yes, Sir. The Indian exports of iron ore to Japan consist of different grades and the f.o.b. prices secured are generally inline with the world market prices for any particular grade.

SHRI M. K. MOHTA : The hon-Minister has mentioned that the f.o.b prices are generally in line with the price obtained by other sellers. But my information is that whereas the price paid by the Japanese buyers is more or less the same for all the

countries, in fact, the revenue to us is lower because the freight charges from India to Japan are much higher than the freight charges from other exporting countries to Japan so that it is not economical so far as we are concerned and our f.o.b. prices are lower. May I ask the hon. Minister what steps are being taken to ensure lower freight charges so that our net earnings are higher ?

SHRI A. C. GEORGE : Sir, it is true that we have certain difficulties about shipping. Though the quality of our iron ore is good and there are enough demands from different countries, because of lack of certain basic facilities in our ports, our f.b.o. realisation may not be to that extent that we may desire or that we may deserve. We have taken measures to have mechanised handling facilities at the Paradeep Port, and when the Madras Outer Harbour goes into commission, additional facilities will be there. The first phase of the Goa Port scheme also envisages mechanical handling to the tune of 8000 tonnes per hour. At present in these ports there are shipping bottle-necks.

SHRI M. K. MOHTA : My second question to the hon. Minister is whether it is a fact that the MMTC has entered into a long-term agreement for the export of iron ore to Japan over a period of time and the price was mentioned in the US currency so that the US currency was devalued by 8-1/2 per cent, it meant that much loss of revenue to us ? Why was not sufficient care taken to incorporate in the long-term contract with Japan to link the price with gold or with the Japanese currency so that we would not have suffered in case the American dollar was devalued ?

SHRI A. C. GEORGE : It is true that MMTC has entered into short term as well as long-term contracts with the Japanese buyers. But in our contract there is an escalation clause and with this change of the dollar value, there is no loss incurred on our part.

SHRI M. K. MOHTA : May I ask a clarification, Sir ? Has it been decided that there will be no loss to us due to the devaluation or is it under negotiation ?

SHRI A. C. GEORGE : Due care was taken by the escalation clause and we may not incur any loss at all.

SHRI H. M. TRIVEDI : Under the latest MMTC contract, what is the percentage of ore to be exported to Japan to be carried by Indian shipping and is it fixed-over a period or is it flexible ?

SHRI A. C. GEORGE : There are different grades of iron ore exported. For example, there is the high grade ore of 67/66 per cent Fe. content ex Madras and the 67/64 per cent Fe. content, ore ex Cuddalore. That is our highest grade iron ore. Over and above that, we have got the Bailadila ore and the Kiriburu ore. There are varying grades according to the Fe. content of the ore.

SHRI H. M. TRIVEDI : My question was totally different. I asked what percentage of the ores to be exported to Japan are to be carried in Indian ships ? Is that a flexible percentage or is it fixed over a period because Japan normally buys f.o.b. and carries it in its own ships.

SHRI A. C. GEORGE : It is true that the shipping factor of the Indian carriers is low. We are taking measures to increase our shipping capacity.

SHRI BABUBHAI M. CHINAI: May I know, Sir, from the Hon'ble Minister whether the National Minerals Development Corporation is seeing to it that no mines are closed, or is it a fact that one mine has closed and the labour is unemployed, and also whether the hon'ble Minister who recently went to the UNCTAD Conference as the leader of the Indian Delegation can say that this question was raised there or not ? If it was raised there, with what result because Japan has revalued their currency ? In view of that there will be loss to us as exporters. May I know, Sir, whether this question was raised at the UNCTAD Conference by the hon'ble Minister who led the Delegation ?

SHRI L.N. MISHRA : Yes, Sir, this currency matter was raised at the UNCTAD Conference at considerable length. Mr. Chinai knows what fight was put there by the developed countries.

We did raise this question, not only of Japan but of the U. S. Government, the west German Government and also the U. K. Government. But it is also a fact that these developed countries did not agree to our proposal.

SHRI K. P. SUBRAMANIA MENON: In view of the fact that the majority of our exports of iron is in the form of ore and in view of the fact that there is possibility of getting greater realisation per unit through the pelletised method of iron ore, will the Government still think of exporting raw ore or exporting ore in the pelletised form ?

SHRI A. C. GEORGE: Sir, in the pelletised form we will have better value realisation. In many of our concerns we are progressively introducing pelletising. For example in Goa, in Bailadilla and Orissa mines also we have projects for pelletisation and many of them are being commissioned.

300. [The questioner (Shri Suraj Prasad) was absent for answer vide cols 47 infra]

301. [Transferred to the 25th May, 1972.]

302. [The questioners (Shri Lokanath Misra Shri Chandramouli Jagarlamudi, Shri Sundar Mani Patel and Shri K. C. Panda) were absent. For answer vide col. 48 infra]

303. [The questioner (Shri Kalyan Roy) was absent. For answer vide col. 48 infra.]

FERTILISER PROJECT AT MITHAPUR

304. SHRI PRANAB KUMAR MUKHERJEE: Will the Minister of PETROLEUM AND CHEMICALS be pleased to state :

(a) the progress so far made in the setting up of the fertiliser project at Mithapur;

(b) the time by when it is likely to go in to production; and

(c) the quantum of financial assistance sought for this project from the public financial institutions ?

THE MINISTER OF LAW AND JUSTICE AND PETROLEUM AND

CHEMICALS (SHRI H. R. GOKHALE) : (a) to (c) Messrs Tata Chemical Ltd. were given a letter of Intent on 25-7-1970 for setting up a fertiliser plant at Mithapur. The period of validity now stands extended up to November 1972. Detailed financing proposals and other particulars, as stipulated in the letter of Intent, are being awaited from the Company. It is, therefore, not possible to say at this stage as to when the project is expected to go into production and what would be its financing pattern.

SHRI PRANAB KUMAR MUKHERJEE : Sir, the Minister has stated that the letter of intent was issued on the 25th July 1970 on MCCSJS Tala Chemicals Ltd. for setting up a fertiliser plant at Mithapur and that they have not yet completed it. The Minister is also not in a position to say by what time the production will start. May I know what would be the definite liability of the Government so far as the financial aspect is concerned ? Again, the same Government has issued another letter of intent for expansion to the Tata Chemicals Ltd. at Mithapur to set up a soda ash plant. May I know from the Minister what is the policy of the Govt, and in what way they are going to curb monopoly houses while issuing licences one after another to the big monopoly houses not ensuring, not enforcing them to go into production with the stipulated period ? Has the Government directed the Tata Chemicals to complete the project within the stipulated period or not ? I would like to know this from the hon. Minister categorically.

SHRI H. R. GOKHALE: Sir, the question relates to the fertiliser project. I will come to the soda ash question, to which the hon. Member referred, later on. So far as the fertiliser project is concerned, as I said earlier, the revised proposal was received in January 1970. The Government of India had been insisting that phosphoric acid, which is required for the production of fertilisers, shall not be imported. The Government did not allow the import of Phosphoric acid. The company had been insisting on its import. When we refused to allow this import, the company modified its proposal for the production of nitrogenous fertilisers only. So the proposals of the company themselves underwent changes from time to time. J.D.