

the percentage of the dollar part is increasing year by year, and from 1971 onwards, if we are allowed to import any foodgrains under PL 480, the entire money will have to be repatriated in dollars, not in rupees. That is the condition. Sir, as far as this agreement is concerned, although we have entered into this agreement for import of three million tonnes of foodgrains under PL 480, the value of the imports and the quantum of the imports would depend upon our food production here. We have already got a stock of 4.5 million tonnes with the Food Corporation of India, and therefore it could be staggered looking to the position and the availability of food-grains in the coming crop that is going to come within the next four months.

श्री राजनारायण : सरकार ने कहा 3 मिनियन टन । हमने सरकार से पूछा कि इसकी कीमत कितनी है । हमने कहा था 125 करोड के करीब । सरकार बताए इसकी
SHRI P. C. SITHI : The hon. Member is right. The estimated value of this would be Rs. 125 crore .

*328 [Postpond to the 9th December, 1969.

*32g [The qui doner (Shri M. P. Bhargava) was absent. For 0 iswer, vide cols. 2297-2299 infra]

POLYESTER FIBRES

♦330. SHRI OHITTA BASU: Will the Minister of PETROLEUM AND CHEMICALS AND MINES AND METALS be pleased to refer to the reply to the Un-starred Question No. 1360 given in the Rajya Sabha on the 19th August, 1969 and state :

(a) the names of two firms which have already submitted proposals for production of Polyester Fibres;

(b) the name of the third firm from whom the proposal was awaited;

(c) the names of other firms which have applied for licence; and

(d) the nature of the collaboration for the three specific proposals so far made and the foreign exchange component involved in the collaboration?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND CHEMICALS AND MINES AND METALS (SHRI D. R. GHAVAN) : (a) M/s. The Ahmedabad Manufacturing

and Calico Printing Co., Ltd., Bombay and M/s. Indian Organic Chemicals Ltd. Bombay.

(b) M/s. Swadeshi Cotton Mills Co. Ltd., Kanpur.

(c) A list is placed on the Table of the House.

(d) M/s. The Ahmedabad Manufacturing and Calico Printing Co., Ltd., Bombay propose to collaborate with M/s. I.C.I. U.K. M/s. Indian Organic Chemicals Ltd., Bombay proposes to collaborate with M/s. Chemtex Inc., U.S.A. The actual foreign exchange component of the two collaborations will be known after a decision is taken on the technology to be used for the third plant as both have quoted on the basis of a single plant and more than one plant. Specific proposals from M/s. Swadeshi Cotton Mills Co. Ltd., Kanpur are awaited.

STATEMENT

1. M/s. Jagatjit Cotton Mills Ltd., Calcutta.
2. M/s. The Ganges Manufacturing Co. Ltd., Calcutta.
3. M/s. Punjab State Industrial Development Corporation Ltd., Chandigarh.
4. M/s. Swadeshi Cotton Mills Co. Ltd.' Kanpur.
5. M/s. Mysora Fibres Ltd., New Delhi.
6. M/s. Himachal Shoddy Mills Ltd., Poona.
7. M/s. J. K. Rayon, Kanpur.
8. M/s. Fibres India" Ltd., Calcutta.
9. M/s. Kothari and Sons, Madras.
10. M/s. Fibres and Fibres, Bombay.
11. M/s. Jeypore Sugar Co. Ltd., Madras.
12. M/s. Rohtak and Hissar Districts Electric Supply Co. Ltd., Dehra Dun.
13. M/s. Kohinoor Mills Ltd., Bombay.
14. M/s. Baroda Rayon Corporation Ltd., Bombay.
15. M/s. Delhi Cloth and General Mills Co. Ltd., Delhi.
16. M/s. Century Rayon, Bombay.
17. M/s. Raymond Woollen Mills Ltd. Bombay.
18. M/s. Daulatram Rameshwar Lall, Calcutta.

19. M/s. National Rayon Corporation Ltd., Bombay.
20. Shri K. C. Bhagat, Calcutta-i.
81. M/s. Modipon Ltd., Modinagar.
22. Shri G. D. Somani, Bombay.
23. M/s. Kesoram Industries and Cotton Mills Ltd., Calcutta.

SHRI CHITTA BASU : May I know from the hon. Minister what is the total requirement in our country of this polyester fibre and what is the quantity of this fibre so far manufactured in our country, how they meet the requirements and whether the installed capacity of these two plants will meet the total requirements of our country?

SHRI D. R. CHAVAN : As a matter of fact today we are not manufacturing any DMT which is the basic raw material for the manufacture of polyester fibre. It is proposed that an aromatic plant will be set up in Gujarat by the Petrochemical Corporation of India. The plant is under erection and when it goes into commercial production it will produce about 24,000 tonnes of DMT. It would be sufficient to cater to the requirements of the four polyester fibre plants at the end of the Fourth Plan. As regards the total requirements of the country, as my hon. friend has stated, today we are not producing any DMT. One plant which is producing polyester fibre is the ICI staple fibre plant based on imported DMT, having a capacity of 4,500 tonnes. So far as the total requirements of the country are concerned compared to Western countries we will have to produce in the country about 3,50,000 tonnes of DMT.

SHRI CHITTA BASU: Now, he as named the two firms which have already submitted their proposals and another one is the Swadeshi Cotton Mills Co., Ltd., Kanpur. He has also given me a list of companies which have applied for licence for the same purpose. What were the criteria on the basis of which these three companies were asked to submit their concrete proposals and the rest were not required to submit their proposals? What were the criteria for selecting these three companies?

SHRI D. R. CHAVAN : About 23 applications were considered by various committees. Three firms have been selected for the production of polyester staple fibre. The criteria which were laid down by the Inter-Ministerial Committee consisting of the Planning Commission, DGTD

and others were these: A close analysis of the market for the products of the plant and other relevant techno-economic factors affecting the choice of the focatj u; avoidance of concentration of economic power. This Ministry considers that wherever feasible preference should be given to entrepreneurs who are not already engaged in manufacturing cellulosic synthetic fibres or have licences/letters of intent for such project. Techno-economic feasibility analysis of the market and then avoidance of concentration of economic power in the hands of a few firms, these are the criteria laid down. After the application of the criteria, out of the 23 applications three were selected.

SHRI S. S. MARIS WAMY, : May I ask the hon. Minister whether it is a fact that one company from Madras, by name TNK & Company, had applied for a licence? It was initially given, but later on the Committee which decided the issue on a reference took interest in some other Bombay firm and they manoeuvred to transfer the licence to a Bombay firm. No. one, was it not a case of denying a local entrepreneur? No. two, was it not rejecting the recommendations of the State Government? I want a categorical answer from the hon. Minister.

SHRI D. R. CHAVAN : So far as the particular company, which has been referred to by my hon. friend is concerned, may I invite his attention to part (c) of the answer wherein the names of companies which had put in applications have been given? Whether some manoeuvring or some hanky-panky was done it is not correct. As I said an Inter-Ministerial Committee consisting of various experts considered them and applied all these criteria. All the 23 applications pending before the Licensing Committee were gone through and then three or four were selected on the basis of the criteria to which I have just now referred.

SHRI A. D. MANI : Regarding part (d) the Minister stated that there were some foreign collaboration arrangements. May I ask him for the details of this arrangement, how much foreign capital is going to be invested in the undertaking, what will be the share of the foreign collaborators in the shareholding of the company, what will be the nature of the fees which have got to be paid for the foreign collaboration arrangement ?

SHRI D. R. CHAVAN : I have said in the main reply that two companies would collaborate, *i.e.*, ICI and Chemtex.

SHRI A. D. MANI : Details.

SHRI D. R. CHAVAN : I am giving the information. Please have patience. As I said, it is for the purchase of certain types of equipment which cannot be fabricated here in the country and payment of fees for the purchase of know-how. Each plant will cost roughly on an average about Rs. 8 to Rs. 9 crores. The foreign exchange component will be about Rs. 189 lakhs in one case and about Rs. 194 lakhs in another case, depending upon the type of technology that we purchase.

SHRI B. K. : I. SINHA : May I know Sir, if any of the three firms are associated with or have links with any of the well-known monopoly groups in the country and if so, with which of the monopoly groups are the three firms connected respectively.

SHRI D. R. CHAVAN : I have given the names of the companies. So, he can find out whether they have any links with any of the monopolists. I would require notice of a separate question.

SHRI ARJUN ARORA : All the three are monopolies.

SHRI C. I. PANDE : The hon. Minister has given a few criteria for awarding the licences which should be given the licence. In this connection, as there are 75 monopoly houses, may I know whether the Government has taken a definite stand that to avoid concentration of wealth no such firm will be given a licence in future and whether in this case the firm that has been given licence is within the list of 75 or not?

SHRI D. R. CHAVAN : This question should be put to the Company Law Administration, I am not able to answer it.

SHRI C. D. PANDE : What is the answer?

SHRI D. R. CHAVAN : The question will have to be addressed to the Ministry of Industrial Development and Company Affairs, which controls matters in respect of companies.

SHRI A. O. KULKARNI : May I know from the Government whether henceforth the licensing policy will be more in favour of the cooperative sector, wherever the consumers are concerned?

Is it a fact that the Government had received applications for licences from the Amritsar Silk Weavers, the Silk Weavers of Bombay and the Surat Silk Weavers and, if so, may I know whether the Government will indicate that the co-operatives will either get priority or at least justice at the hands of the Government?

SHRI D. R. CHAVAN : Just now I have said that a list of applicants who have put in applications for the grant of licences or letters of intent has been given. If the co-operatives are there, they are there and if they are not there they are not there.

SHRI A. G. KULKARNI : What about the answer to my specific question?

SHRI D. R. CHAVAN : As regards the second part of his question, DMT is the basic raw material for the manufacture of polyester staple fibre. Polyester staple fibre is not itself a yarn. It is just like cotton, out of which the yarn is spun. If the co-operative sector wants yarn, priority will be given to it.

SHRI M. K. MOHTA : You will find from the list supplied by the hon. Minister that the third name is from the Punjab State, Punjab which is a very good consumer of polyester yarn has not been favourably considered. What are the factors which have gone against this application?

SHRI D. R. CHAVAN : The hon. friend has referred to the case of Punjab. The matter was taken up by the Punjab Chief Minister. A letter was written by him to the Minister and also to the Prime Minister. As a matter of fact, a complete market analysis was done and also the demands of the market in the future. (*Interruptions*). Let me finish. I have referred to the demand that was made by the Punjab Government for a polyester staple fibre plant. As I said, the Punjab Chief Minister wrote a letter to my Minister, my senior colleague, and also the Prime Minister. The demand from Punjab was completely gone into, and after consideration of the market analysis and the demand figures for different regions, it was felt that the maximum uncovered demand was at present from the Northern region after taking into account the projects approved for the Western and Southern regions. The Licensing Committee agreed, therefore, with the conclusion of the Inter Ministerial Committee appointed by the Department of Petroleum and Chemicals that the next unit

should be set up in the Northern region. In respect of the applications from business houses and groups who already had a licence/letter of intent for a synthetic fibre unit they should not be considered. Of the remaining applications there were two from Punjab and two from U.P., and analysis of the consumption of polyester fibre as made by the Inter-Ministerial Committee appointed by the Department of Petroleum and Chemicals clearly brought out that such consumption was much higher in U.P. than in Punjab. This is what was said by the Committee that was appointed in the Department of Petroleum and Chemicals. They came to the conclusion that there was quite a lot of uncovered demand in the U.P. and therefore it was granted.

SHRI ARJUN ARORA : In reply to Mr. Kulkarni's question the Minister¹ said that none of the co-operatives applied. The Minister has said earlier that when the aromatic plant at Baroda is put up, it will have capacity to supply DMT for four polyester mills. May I know if the Minister is in a position to give a categorical assurance to the House today that when that plant is set up and a fourth factory is licensed, it will only be in the co-operative sector preferably in Punjab ?

SHRI D. R. CHAVAN : What I said is, let me explain it, please listen to me. I said the aromatic plant would be put up near about Koyali. It will be producing DMT which is the basic raw material for the manufacture of polyester staple fibre. What is this staple fibre ? It is like cotton...

SHRI ARJUN ARORA : Sir, he is not replying to my question. He is trying to teach me petro-chemistry. Will he reply to my question ?

MR. CHAIRMAN : He has not yet finished.

SHRI D. R. CHAVAN : I said this polyester fibre is just like cotton. All these plants will be producing polyester staple fibre. After that this will be converted into yarn. What I said is, when this fibre is produced to the extent possible, we can give preference of priority to the co-operative sector. That is my answer.

श्री राजनारायण : श्रीमन्, मैं यह जानना चाहता हूँ कि जो स्वदेशी मिल कानपुर में है, इस को राय बरेली में कारखाने खोलने की जो

इजाजत मिली है तो यह क्यों ? क्या उन 175 परिवारों में स्वदेशी मिल के मालिकान आते हैं या नहीं ?

दूसरी बात जो मैं जानना चाहता हूँ वह यह है कि क्या राय बरेली में पावर का कोई स्टेशन है या वहाँ पावर बहुत दूरी से लानी पड़ेगी, जिस के बारे में उत्तर प्रदेश की सरकार ने एतराज किया है और साफ साफ कह दिया है कि इस में 50 लाख रुपये का खर्च पड़ेगा, जिस को उत्तर प्रदेश की सरकार देने के लिए तैयार नहीं है । तो मैं यह जानना चाहूँगा कि स्वदेशी काटन मिल अगर कोई कारखाना खोल रही है, तो कानपुर में क्यों नहीं खोला, गाजियाबाद में क्यों नहीं खोला, इलाहाबाद में क्यों नहीं खोला ? राय बरेली में इसलिए खुल रहा है कि श्रीमती इन्दिरा नेहरू गांधी वहाँ से खड़ी होती हैं और वहाँ से चुन कर आती हैं । तो उन की कान्स्टी-टुयेन्सी को नर्स करने के लिए ...

श्री सभापति : सवाल पूछिए ।

श्री राजनारायण : उन की कान्स्टीटुयेन्सी को नर्स करने के लिये इस कारखाने पर कितना पैसा खर्च करा कर राय बरेली में खोलने की इजाजत दी गई है । इस पूरे सवाल का उत्तर होना चाहिए ।

SHRI D. R. CHAVAN : It is not correct to say that it is for the purpose of nursing the constituency of the Prime Minister. It is not correct to say that and I stoutly repudiate it. As a matter of fact, my hon. friend must know that Rae-Bareilly is an area which is backward.

SHRI RAJNARAIN : You repudiate yourself and your Government.

SHRI D. R. CHAVAN : My hon. friend may shout. I am also capable of shouting. There is no point in shouting at each other. What he said is not correct. In the second place Rae-Bareilly is considered to be a backward area, and our objective has all along been to remove the regional imbalances that prevail in the country.

श्री राजनारायण : बनारस में करें, मिर्जा-पुर म करें ।

SHRI D. R. (IHAVAN : That is why I said I repudiate.

श्री राजनारायण : आप समझ लीजिए सत्य क्या है ।

श्री सभापति : हम समझ गये ।

PUBLIC UNDERTAKINGS

♦331. SHRI I. P. KHAITAN : SHRI KRISHAN KANT :f

Will the PRIME MINISTER be pleased to state :

(a) the import expenditure of the public sector undertaking during the years 1967-68 and 1968-69; and

(b) the targets of exports for the year 1969-70 and how much expenditure is proposed on imports for the same year and what part of it would be on raw materials and what part on machinery ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P. C. SETHI): (a) and (b) A statement is laid on the Table of the House.

STATEMENT

(a) The total foreign exchange expenditure in respect of the manufacturing Public Enterprises, on account of import of capital equipments and production materials, etc., during 1967-68 was about Rs. 184 crores. Information for 1968-69 is not yet available, but will in due course be published in the "Annual Report on the Working of Industrial and Commercial Undertakings of the Central Government for the year, 1968-69", copies of which are laid on the Table of both the Houses of Parliament.

(b) Public Enterprises had made a significant contribution to export effort in 1967-68 and 1968-69. But no targets as such have been laid down for exports by the Public Enterprises for 1969-70. It is also not feasible at this stage to estimate with any degree of accuracy the expenditure on imports by these enterprises during the current year, as this will depend upon a number of factors like the progress of the implementation of the projects, the extent of import substitution achieved, etc. It has, however, been the

•(The question was actually asked on the floor of the House by Shri Krishan Kant.

constant endeavour of the Government to use indigenous raw materials, components, etc. to the maximum possible extent in Public Enterprises.

SHRI KRISHAN KANT : In reply to part (b) of the question, he has said in the statement that public enterprises had made a significant contribution towards export effort. May I know up till now what has been the contribution of public enterprises towards export and the foreign exchange earned by the public enterprises up till now, in the last five or ten years ?

SHRI P. G. SETHI: As far as the public sector export is concerned, in the year 1967-68 the exports from the public sector were about Rs. 48 crores. But in the year 1968-69 they have registered an increase and reached the figure of Rs. 69 crores, and therefore the rise in public sector exports is quite substantial.

SHRI KRISHAN KANT : May I know from the Minister whether it is a fact that at a recently held function for giving export promotion awards more awards were given to the public sector undertakings ? While the Dutt Committee has said in its report that a large share of foreign exchange which was allowed for the last ten years has gone to the Birlas, why in the export promotion awards their number comes very low ? They do not get any award but they get only a certificate, and then too they hold the second position. In view of this, may I know whether the Government is going to revise its policy about allocation of foreign exchange to monopoly houses and others in comparison with public sector enterprises ?

SHRI P. G. SETHI : As far as this particular question is concerned, this is with regard to export and import content of the public sector projects. Therefore, it would be difficult for me to give a comparative statement. But it is a fact that so far as public sector exports are concerned, they have considerably improved and I would like to give some detailed figures :

	(Rs. in crores)
Hindustan Steel	30.96
National Mineral Development Corporation	10.61
Air India	36.82
Shipping Corporation	17.03