

My question was whether it is the policy not to take any action, because the prices are rising high, against any mischief whatsoever. I want to know categorically from the Minister whether it is the policy of the Government and if so, whether it is because of this policy that various industrialists are being allowed to play mischief. Will he clarify the point?

SHRI FAKHRUDDIN ALI AHMED : I have already clarified. I have said that that is likely to happen. Because of that no action will be taken, I have never said that.

MR. CHAIRMAN : The Question Hour is over.

SHRI ARIUN ARORA : Sir, there should be a discussion on this because the Minister has propounded a strange philosophy.

MR. CHAIRMAN : I shall consider. I want the hon. Members to note that I am able to do only four questions in an hour. You must assist me to see that at least ten questions are done.

SHRI BHUPESH GUPTA : It is only today.

MR. CHAIRMAN : Therefore, I am not giving any ruling. I am only pointing out to you that there should be greater co-operation to see that I am able to finish more questions.

SHORT NOTICE QUESTIONS AND ANSWERS

12 NOON

DISLOCATION OF TELEPHONE LINE BETWEEN DELHI AND BOMBAY-POONA

3. SHRI J. S. TILAK : Will the Minister of COMMUNICATIONS be pleased to state :

(a) since when the trunk telephone line between Delhi and Bombay-Poona has been out of order and by when it is likely to be repaired and put to normal use ;

(b) whether Government are aware that great inconvenience and economic and other losses are caused to the public due to such dislocation of telephone lines ; and

(c) if so, what steps Government propose to take to prevent recurrence of such dislocations ?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND COMMUNICATIONS (DR. RAM SUBHAG SINGH) : (a) 0855 hours of 6-8-68 to 2330 hours of 11-8-68.

(b) Yes, Sir.

(c) The disruption of the Bombay-Ahmedabad Coaxial Cable which carries the telephone circuits occurred due to heavy floods in the Rivers of Gujarat particularly the Tapi and the Narmada. The floods this year have been unprecedented and caused severe damage to the road and rail communication also.

SHRI J. S. TILAK : May I know whether there is any stand-by or alternative line provided at least between the Union capital and other State capitals or big cities like Bombay or Poona in view of the fact that natural calamities like the recent floods overtake us every year?

DR. RAM SUBHAG SINGH : Actually at the moment we are having Coaxial Cable line and overhead line. Both of them were breached. We are thinking of providing micro wave system, but that will take some time to come into existence.

SHRI M. P. BHARGAVA : May I know whether the operators had this knowledge that the line was out of order ? If they had knowledge, why were they booking calls for Bombay, Poona or Goa all these days, and causing inconvenience to the subscribers ?

DR. RAM SUBHAG SINGH : Actually the operators as well as the persons who booked those trunk calls, those who might have booked to Bombay from here or from Ahmedabad to Bombay or from any other place, they knew that due to floods severe damage had been done. Therefore, it is not only the operators who would come into the picture but others also.

SHRI M. M. DHARIA : When the whole line was out of order, it was requested to the operators that they should try to give the line via Nagpur or other place. They were asked for

alternative connection. They said there was no such instruction. Will the hon. Minister give instruction to his own Department that, if a particular line is out of order and if it is possible to contact through some other station, it will be done in future ?

DR. RAM SUBHAG SINGH : We will do so, whatever the hon. Member has suggested.

STOPPAGE OF PRODUCTION IN HINDUSTAN ZINC FACTORY AT UDAIPUR

4. SHRI RAM NIWAS MIRDHA : Will the Minister of STEEL, MINES AND METALS be pleased to state :

(a) whether it is a fact that the Hindustan Zinc Factory at Udaipur, Rajasthan has stopped production and if so, the reasons therefor;

(b) whether any workers of the factory are going to be retrenched; and

(c) what efforts are being made by Government to restart the factory ?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL, MINES AND METALS (SHRI P. C. SETHI) : (a) Yes, Sir. In the production of zinc, sulphuric acid or superphosphate is an inevitable by-product. Due to lack of demand and accumulated stock of superphosphate upto the storage capacity, further production had to be stopped. Alternative outlet by way of sale of sulphuric acid has also not been possible due to the location of the factory and lack of demand of sulphuric acid in the area.

(b) No, Sir.

(c) Efforts are being made for the disposal of superphosphates so as to enable the resumption of production.

SHRI RAM NIWAS MIRDHA : The Hindustan Zinc Factory is a very important public sector enterprise which manufactures zinc, which is a very scarce commodity, and superphosphate which is a very important fertilizer. Sometime back there was a great scarcity of zinc in our country because we could not import enough. But in such a short time we have glut of it because zinc is being freely imported, and the local production has suffered as a result of that. I think it is a sad commentary on our planning process that so soon after the scarcity period we are faced with a glut with a result

that a very important public sector undertaking has to be closed. With your permission, Sir, I will give some figures. The total requirement of zinc in India was 65,000 tonnes in a year. But from April to July this year we had imported 51,508 tonnes of zinc. Even now it is not known how many more licences are pending for the remaining eight months of the current year. This means that till now only 13,492 tonnes of zinc remains for supply by indigenous manufacturers if no further imports are allowed. The total indigenous capacity of zinc production in India is 38,000 tonnes a year. Thus there would be no market for 25,508 tonnes of zinc which might be produced indigenously.

(Interruption) I said the total indigenous capacity is this much, and it is such a scarce commodity. The same picture holds good as regards the fertilizer too. We are short of fertilizer. The Hindustan Zinc has accumulated 20,000 tonnes of it because it cannot sell it. It has been stopped. On the other hand there is a massive programme of import of fertilizer. Diammonium phosphate is being imported from America. They have one billion tonnes of superphosphate, diammonium phosphate and other fertilizer lying in stock. It is said that one of the reasons was the pressure that was brought on us when the rescheduling of debts took place and we were forced to import these fertilizers even though we had indigenous production. I think this is a very serious matter, and we are grateful that the Minister has been taking interest in this matter. We would certainly like to know how far he has progressed in this matter and what efforts are being made to remove a very difficult situation.

SHRI P. C. SETHI : The Hindustan Zinc Factory was formed in 1966. Trial runs were started in November 1967, and it actually started production from January 1968. The production capacity of the Zinc Factory was 18,000 tonnes in the third year of the factory. But fortunately the factory started on very good lines and we had the targeted production of the third year achieved the first year itself. Therefore, the total capacity produced this year is not 38,000 tonnes but it is 28,000 tonnes ; 18,000 tonnes is expected from Hindustan Zinc and 10,000 tonnes is expected from private party this year. The production target of the private party is going to be increased.

And therefore the production target of the current year is likely to be of the order of 38,000 tonnes.

Now, with regard to the total imports of zinc, after the scarcity period when the free licensing for imports was granted, there were no restrictions on the import and the actual users were allowed on the basis of their last year's consumption, with the result that 65,000 tonnes were imported. With regard to the demand, I would like to correct the hon. Member that the demand for zinc in the country as estimated for the current year is 85,000 to 88,000 tonnes and not 65,000 tonnes. Therefore, 65,000 tonnes were imported totally last year, and this year's total of import as estimated has been of the order of 51,000 tonnes.

The main difficulty with regard to zinc arises because this zinc was not allowed for the other users. The Indian zinc was reserved for priority users, especially the Defence, the Railways, the Posts and Telegraphs, the battery industry, etc. This zinc was of 95.5 per cent purity. But, Sir, a technical question was raised by Defence and others who were the priority consumers that this zinc could not be used as this was comparatively of a less purity and, therefore, it could not be lifted by them. Now a decision has been taken that this zinc should be diverted for galvanizing purposes. And in regard to import licences of Indian Iron and Tisco which were under consideration, in consultation with the other Ministries it has been decided that they would be allocated this zinc. Similarly, in Rourkela this question was raised. Now we have also taken a decision that Rourkela could be given a trial order and they would try to use it and if it is necessary, to make the best quality with the indigenous quality that may be allotted. The problem of zinc is likely to be solved, and I am happy to say that this factory is likely to start on the 15th September. That is the target date given to this.

As regards super-phosphate, I would like to make it clear that super-phosphate is calculated in terms of P_2O_5 . The total consumption as was envisaged during 1967-68 was to the tune of five lakh tonnes. The targeted indigenous production was 2.69 lakh tonnes. But the actual production was only two lakh tonnes. Therefore, a programme of

import was formulated. This was 3,49,000 tonnes for the year 1967-68. The estimated consumption of superphosphate for the year 1968-69 in terms of P_2O_5 was 6,50,000 tonnes. The local production was expected to be 3,20,000 tonnes and the target was 3,30,000 tonnes. But the Food and Agriculture Ministry, in view of its carry-over of stocks, has reduced the stocks and instead of 3,30,000 tonnes, they have now imported 1,36,000 tonnes. On account of the Suez Canal closure, these imported stocks came late and could not be used and be lifted by the farmer. Anyhow, I am glad to say that yesterday I had a meeting with the Chief Minister of Madhya Pradesh and he has agreed to take 15,000 tonnes of superphosphate from Udaipur and that would solve our problem.

SHRI RAM NIWAS MIRDHA : We are grateful to the efforts that the Minister is making. I would like to quote from a statement of Mr. Raghu-nath Singh, Chairman of Hindustan Zinc Limited, and I would ask the Minister whether he is aware of it—

"Being in the public sector, he cannot give those 'special incentives' which importers and private producers, according to him, can give at key purchase points among Government or private consumers."

I think this is a most unfortunate statement to come from the head of a public sector undertaking. He says quite clearly that he has to bribe Government and private consumers. Will the Minister please say if he has made any complaints of this nature to him and what steps he has taken to see that the so-called incentives are not necessary in the normal process of trade? Along with this, I would like to say that this public enterprise has no sales policy, has no sales programme and has neglected the sales side. This is in tune with all the other public sector undertakings. They just sit back and want the Government to pick up everything. They do not have any drive and the management is inefficient. And the Chairman is making a most regrettable statement of this nature. May I know whether he will immediately look into this thing?

SHRI P. C. SETHI: I would at the outset admit that they do not have a proper sales organisation. That is

certainly being augmented and they have been asked that they should improve their sales organisation. So far as the sale price is concerned, the Hindustan Zinc phosphate is being sold comparatively at about Rs. 60 to Rs. 70 cheaper than the private sector and I do not think they should find it difficult to sell on that account.

श्री सुन्दर सिंह भंडारी : हिन्दुस्तान जिंक फैक्टरी में जनवरी, 1968 से उत्पादन का काम प्रारम्भ हुआ। मैं यह जानना चाहता हूँ कि यह उत्पादन का काम जनवरी, 1968 से कितने समय तक चला और कब बंद हुआ ? सेल्स डिपार्टमेंट की ठीक प्रकार से व्यवस्था न होने के कारण क्या बिक्री कम हुई और सारे का सारा माल पड़ा हुआ है। अगर सेल न होने के कारणों में एक कारण यह भी है कि जो इम्पोर्टेड फर्टिलाइजर है, उसकी तुलना में हिन्दुस्तान जिंक द्वारा जो फर्टिलाइजर उपलब्ध होता है वह ज्यादा महंगा पड़ता है और इसलिए लोग उसको खरीदने में रुचि नहीं रखते हैं और उनका ध्यान सस्ते इम्पोर्टेड फर्टिलाइजर की ओर ही जाता है।

श्री पी० सी० सेठी : जब से फैक्टरी में उत्पादन हुआ है तब से लेकर अब तक 42,300 टन सुपरफास्फेट का उत्पादन हुआ है। इसमें से करीब 23,650 टन बिक चुका है और 18,650 टन स्टॉक में है। 10 हजार टन तो मध्य प्रदेश सरकार ने पहले ही उठा लिया था और 15 हजार टन और उनको उठाना बाकी है। जैसा कि मैंने अभी बतलाया कि मध्य प्रदेश के मुख्य मंत्री जी ने स्वीकार कर लिया है कि वे इसको तुरन्त उठा लेंगे।

श्री सुन्दर सिंह भंडारी : 23 हजार टन में से कौन कौन खरीददार हैं ?

श्री पी० सी० सेठी : 10 हजार टन राजस्थान गवर्नमेंट ने खरीदा है, 25 हजार टन, जैसा कि मैंने बतलाया मध्य प्रदेश सरकार ने खरीदा है जिसमें से 15 हजार टन अभी उठाना बाकी है। इस तरह से 10 प्लस 10, 20 हजार टन

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हुआ और तीन हजार टन बिड़की में उठ जायेगा इसी तरह से 5 हजार टन महाराष्ट्र, 5 हजार टन बिहार और 5 हजार टन उत्तर प्रदेश की सरकारों द्वारा खरीदे जाने की आशा है। इस तरह से 42 हजार टन के करीब हमारा उत्पादन हुआ और करीब 18,650 टन में मौजूद है।

जहां तक सुपरफास्फेट की बिक्री का संबंध है, इसके संबंध में मैं यह निवेदन करूंगा कि जो प्राइवेट और इम्पोर्टेड सुपरफास्फेट होता है उसके मुकाबले में हमारा सस्ता है और फिर भी उसके न बिकने का कोई कारण नहीं है।

SHRI A. G. KULKARNI: This is another patent example of the contradictions in planning and in co-ordination in the Government Departments. We have seen in the Question Hour also how two Departments do not work together. Here is a very singular example. The phosphate P_2O_5 requirement was considered by various committees. Capacity was created in this country. With P_2O_3 not being correlated to production capacity and the actual target, this occasion has arisen when our own capacity is being stranded. While granting permission for diammonium phosphate to be manufactured in this country, a question was raised in this House that it should not be granted because all the PoOs is available from indigenous sources.

MR. CHAIRMAN : You are making a speech again.

SHRI A. G. KULKARNI: I am only asking a question.

At the time, the Petroleum Ministry granted this licence. The Steel Ministry is nursing a sick child. This is the way how the Government works. In the light of the availability of P_2O_3 in the country, though of a lesser quality—the quality can be improved with further technical knowledge—will the Government think over the matter and evolve a procedure so that lack of co-ordination does not hamper the indigenous production ?

SHRI P. C. SETHI: This matter has been reviewed from time to time by various Ministries. I have just stated

that although the target of the import or PjOe, keeping in view the overall picture of indigenous production and the carry-over of the last year, the imports which were done by the concerned Ministry were to the tune of 1,36,000 tonnes. Recently, I had an inter-departmental meeting with the senior officers of the Ministries concerned. Now it has been decided that keeping the overall picture in view the import figures of this year would be decided in the light of the indigenous availability of the carry-over stocks.

MR. CHAIRMAN : Mr. Venkata-raman. *(Some Hon'ble Members stood up)*. My difficulty is this. On this side ten very important people—people who want to put important questions are very important people—stand. And there are also constant questioners who, I particularly want to know, must put a ban on themselves and co-operate with me because every time I refuse an individual who puts his hand like this I become his enemy for the time being. Therefore, I would like you to co-operate with me. I trying to cooperate with you in every manner possible. Not only that, I must see that the Opposition also gets its chance. I would like that every party, if I can help it should state their views. Mr. Venkataraman.

SHRI DAHYABHAI V. PATEL: We are seeing this every day.

SHRI M. R. VENKATARAMAN : Is the Government aware that as far as zinc production is concerned, which is the issue before the House, it is reliance on imports and imports alone which is finishing up the Udaipur public sector factory and also causing the hold-up of production in several private enterprises to whom licences have since been issued ? The need in our country, Mr. Chairman, is not 65,000 tonnes, it is nearly a lakh of tonnes. Now, apart from the zinc that is needed for the industries, much of the brass is made out of the copper and the zinc for which also this production is necessary. Now we are importing zinc concentrates from outside purchased at as high a price as Rs. 2,200 a ton as quoted in the London market and refined here. Is the Government aware that if the zinc is produced indigenously the actual cost would be about one-third of what it costs the country in importing as zinc concentrate and refining it here ? Even

so, Mr. Chairman, I would like the Government to state why, having set up a public sector factory and not being able to utilise its production capacity to the full or not paying attention to it, they have also indiscriminately issued several private licences and all the while this import as well as the issue of several licences to individual producers is smashing up zinc production in the public sector. The factory is actually closed, and because of imports from outside, the private capitalists are also not able to produce in competition. In the light of this, will the Government now at least take immediate steps to see that this closure is lifted, that the grievance and the apprehension of retrenchment of the workers is completely removed and concentrated attention to revive the production in the Udaipur factory is made real, and the import, if not immediately stopped, is at least rapidly lessened and eventually given up in favour of complete internal production ? That alone would be an effort towards self-reliance.

SHRI P. C. SETHI : I have stated in the main body of the answer that there was no retrenchment done. The expenditure was utilised for maintenance and overhaul. No worker was retrenched. I have also said Sir, that the factory is likely to commence working from 15th September and therefore, there is no question of further retrenchment. We are trying to augment the production of zinc in the country. This factory of Hindustan Zinc Ltd. is likely to go a figures of about 36,000 tonnes in the Fourth Plan. Besides this, Comico Benani is likely to raise their production from 10,000 20,000 tonnes. We are also trying to revive the Vizag factory. This has been agreed to in principle by the Planning Commission. Therefore, we are trying bur best to augment the production of zinc. But, as I have said, the total requirement of zinc currently, as has also been said by the hon'ble Member, is more than 65,000 tonnes although my figures are 85,000 to 88,000 tonnes. Therefore, for some time to come we shall continue to import zinc only to the extent necessary.

MR. CHAIRMAN: Mr. Suraj Prasad. He has been continuously standing up from the beginning. In fact, I am very sorry that I did not allow him to put a supplementary. He is a new gentleman.

श्री सुरज प्रसाद : सरकार ने यह कहा कि फास्फेट का स्टॉक बहुत जमा हो गया है। क्या मैं सरकार से यह जान सकता हूँ कि यह फास्फेट का दाम पहले बहुत कम था और बीच में करीब करीब दो वर्षों में सरकार ने फास्फेट का दाम तीन गुना बढ़ा दिया है जिस की वजह से किसान फास्फेट उठा नहीं रहे हैं? ऐसी हालत में क्या सरकार सोच रही है कि फास्फेट का दाम घटा दिया जाय।

श्री पी० सी० सेठी : मैं ने पहले ही बतलाया कि हिन्दुस्तान जिक सुपर फास्फेट की कीमत घटा दी गयी है और यही वजह है कि प्राइवेट कंपनियों के मुकाबले में वह बिक रहा है और उस में किसी प्रकार की रूकावट नहीं है। करीब 60, 70 रुपये दाम नीचा है और कंपनियों के मुकाबले में और उस के न उठने की वजह से दूसरी है। कुछ बारिश की वजह से नहीं उठ रहा है और कुछ आर्डर्स स्टेट गवर्नमेंट्स ने जो दिये थे वे सारे साल के थे। लेकिन अब उम्मीद है कि उस का बिकरा बढ़ जायगा।

DR. (MRS.) MANGLADEVI TALWAR : Mr. Chairman, it is sad that the most important section, marketing, has been totally neglected in all the public sector undertakings including the Udaipur factory. I would like to know whether they are going to organise this unit? As it is a very specialised work people who do it ordinarily require special training. Are they going to take some people from private sector undertakings or are they going to train their own people themselves which will take a long time? How are they going to organise this unit and how soon is it going to be organised?

Then, Sir, with regard to the Udaipur factory, I would like to know from the hon'ble Minister whether the quality of copper produced at Udaipur factory is of 'A' quality which is required for defence and other purposes in our country because the Minister has stated that the quality of the material produced in our country is not so good as it is found in other countries from where we import.

SHRI P. C. SETHI : Sir, I have just now stated that they have been asked

to create a proper sales organisation. Now, Sir, it would be difficult for me to go into details because the Board of Directors would decide as to what type of sales organisation and what type of zinc is required. I think they would be able to take care of it.

As far as the quality of zinc is concerned, at the Udaipur factory it is not copper but zinc, and this zinc is of 99.95 per cent, purity. But for defence and other purposes even higher purity is required. But this is one of the best quality electrolytic type zinc that is produced all over the world.

SHRIMATI SHAKUNTALA PARANJAPYE : May I know from the hon'ble Minister for how long the Udaipur factory was closed?

SHRI P. C. SETHI : This was closed on 26-7-68 and* is likely to commence from 15th September.

WRITTEN ANSWERS TO QUESTIONS

ASIAN PAYMENTS UNION

*540. **SHRI SITARAM JAIPURIA :** **SHRI R. P. KHAITAN :**

Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that the Confederation of the Asian Chambers of Commerce and Industry has recently favoured the establishment of an Asian Payments Union; and

(b) if so, what is the reaction of the Government of India in the matter?

THE MINISTER OF COMMERCE (SHRI DINESH SINGH) : (a) Yes, Sir.

(b) Government of India appreciate the idea in principle, however, the various implications of such a scheme are yet to be studied in depth. The question of setting up of a suitable payments or clearing arrangement for the region is being considered in ECAFE. Government of India is actively participating in these deliberations.

[Transferred from the 20th August, 1968.]