

## LOK SABHA DEBATES

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528

### LOK SABHA

Wednesday, August 18, 1965/Sravana  
27, 1887 (Saka)

The Lok Sabha met at Eleven of the  
Clock,

[MR. SPEAKER in the Chair]

### ORAL ANSWERS TO QUESTIONS

#### Fertilizer Plants

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- \*61. {
- Shri Hem Barua:
  - Shri R. S. Pandey:
  - Shri Vidya Charan Shukla:
  - Shri P. C. Borooah:
  - Shri Yashpal Singh:
  - Shri Surendra Pal Singh:
  - Shri P. R. Chakraverti:
  - Shri Bibhuti Mishra:
  - Shri K. N. Tiwary:
  - Shrimati Tarkeshwari Sinha:
  - Shri Vishwa Nath Pandey:
  - Shri D. N. Tiwary:
  - Shri Subodh Hansda:
  - Shri Daji:
  - Shrimati Vimla Devi:
  - Shri V. B. Gandhi:
  - Shri Ravindra Varma:
  - Shri P. Venkatasubbalah:
  - Shri Onkar Lal Berwa:
  - Shri Gulshan:
  - Shrimati Renuka Barkataki:
  - Shri Ram Harkh Yadav:
  - Shri Kanakasabai:
  - Shri M. Rampure:

Will the Minister of **Petroleum and Chemicals** be pleased to state:

(a) whether Government have held negotiations with the Western Industrial Corporation regarding the establishment of fertilizer plants in India;

(b) if so, the outcome of the negotiations held; and

(c) whether any agreement has been signed with any foreign firm in this connection?

**The Minister of State in the Ministry of Petroleum and Chemicals (Shri Alagesan):** (a) to (c). Yes, Sir, but the negotiations proved infructuous.

**Shri Hem Barua:** In the matter of fertilizer production, so far our Government are busy conjuring spectacular production in the distant future. In that context, may I know whether Government actually propose to set up 5 fertilizer plants during the Fourth Plan?

**Shri Alagesan:** Yes, Sir. Whatever we would have been able to achieve by way of collaboration with Bechtel, we are trying to achieve. For 4 out of the 5 plants, namely, at Cochin, Madras, Kanpur and Durgapur, we have been able to fix up the parties. So, we are going to set up plants at these five places.

**The Minister of Petroleum and Chemicals (Shri Humayun Kabir):** I may add that we are going to put up not only 5 plants but more than 5 plants.

**Shri Hem Barua:** It is so nice to hear that they are going to put up more than 5 plants. In this connection may I know, after we put up 5 plants or more than 5 plants, what is the target of shortfall that our Government envisage and, at the same time, what arrangements Government have made for getting the

necessary foreign exchange for the establishment of these plants?

**Shri Alagesan:** According to our estimates, by the end of the Fourth Plan we will have an installed capacity of 2.3 million tons and the production is expected to be round about 2 million tons. As regards foreign exchange, for Madras and Kanpur we hope to get the necessary foreign exchange from our collaborators; that is to say, they will arrange for it. Regarding the plants at Cochin and Durgapur, we have suggested these two projects US AID for assistance.

**Shri P. C. Borooah:** May I know whether any special concession is going to be given to the foreign entrepreneurs by way of tax concessions in order to attract them to establish fertilizer factories in India?

**Shri Alagesan:** There is no question of giving any tax concession. Questions like pricing, marketing, management of the factory for the first few years etc. have to be considered with our collaborators.

**श्री यशपाल सिंह :** कब तक यह बातचीत चलेगी और हम कब तक इस में सैल्फ सफि-शिएंट हो जायेंगे ? अभी हमें कितना मंगाना पड़ना है और कितना हम अपने देश में पैदा करते हैं ?

**Shri Alagesan:** Round about 1969-70 we may be able to avoid imports.

**Shri Surendra Pal Singh:** While it is necessary and desirable to have large fertilizer plants in the country during the Fourth Plan, but before that is done, is the hon. Minister in a position to assure the House that the entire installed capacity in the existing fertilizer factories in the country has been fully utilized?

**Shri Alagesan:** That is also engaging our attention. For instance, we are trying to make some modification to increase the production in Sindh. In the Rourkela plant also we are trying to introduce some modifications. Further, we are setting up

additional plants to reach the full capacity as early as possible.

**Shri P. R. Chakraverti:** May I know whether it is a fact that Government have fixed up a target of setting up a fertilizer plant in each State? If so, may I know whether the present negotiations with Western Industrial Corporation or other collaborators will cover at least some proportion of this object?

**Shri Alagesan:** That policy decision was taken by Government long ago and we are proceeding towards it. When we put up plants it will be ensured that that object is kept in view. We will have not only one plant but in some States we will have even two plants.

**श्री विभूति मिश्र :** अभी कविर साहब ने बतलावा कि पांच जगहों पर फर्टिलाइजर प्लांट लगाया जायेगा। कविर साहब ने बचन दिया है कि बरौनी में फर्टिलाइजर का प्लांट लगेगा तो मैं उन से यह जानना चाहता हूँ कि वह अपने बचन पर कायम हैं या उम में बदल रहे हैं ?

**Shri Humayun Kabir:** It has never been my custom to go back from any word that I have given.

**श्री विभूति मिश्र :** अध्यक्ष महोदय, मुझे जवाब मुनाई नहीं पड़ा।

**अध्यक्ष महोदय :** मंत्री महोदय कहते हैं कि जब वह पहले कभी नहीं बदले तो अब भी नहीं बदलेंगे और वह अपने बचन पर कायम हैं।

**श्री विभूति मिश्र :** उनका धन्यवाद है।

**श्री क० ना० तिवारी :** प्रखबारों को देखने से मालूम पड़ता है कि मन् 1970 तक यह फर्टिलाइजर प्लांट्स लग जायेंगे और फर्टिलाइजर्स का प्रोडक्शन होना शुरू हो जायेगा तो क्या यह बात सही है ?

**Shri Humayun Kabir:** The present indications are that the Barauni plant

will be taken in hand roundabout 1968-69 and it will go into production in 1970-71. These are the present indications. There may be a little variation of perhaps one year this way or that way.

**Shrimati Tarkeshwari Sinha:** May I know whether ICI has been permitted to produce fertiliser and have a plant here? Originally, when the offer was not accepted, the ratio of participation by Government and ICI was 80:20. Has that ratio been changed or is it the same?

**Shri Alagesan:** The ICI has been given the letter of intent in July to set up a fertilizer plant in Kanpur. The capacity will be 225,000 tonnes in terms of nitrogen. This is going to be done by the existing company called the Indian Explosives Ltd. in which 70 per cent participation is by ICI and 30 per cent jointly by the Government of India and the private investors. The ICI have yet to indicate the revised financial structure of the Indian Explosives Ltd. They propose to find all the foreign exchange.

**श्री विश्वनाथ पाण्डेय :** जैसा कि मंत्री महोदय ने बतलाया भारत में उर्वरक के कारखाने खोलने के सम्बन्ध में पश्चिमी औद्योगिक निगम के साथ बातचीत हो रही है तो मैं जानना चाहता हूँ कि क्या उत्तर प्रदेश में भी कोई नया उर्वरक का कारखाना स्थापित किया जायगा, यदि हाँ, तो कहां और उस पर कितना धन व्यय होगा।

**Shri Humayun Kabir:** I am really surprised at this question of the hon. Member. He should know that Gorakhpur is in Uttar Pradesh and so is Kanpur.

**श्री विश्वनाथ पाण्डेय :** मैंने नया कारखाना स्थापित करने के बारे में पूछा है।

**श्री डा० सा० तिवारी :** क्या यह बात सही है कि बरौनी से नेपथा बगैरहूँ दूमरी जगह पर इसलिए ले जाया जा रहा है ताकि बरौनी में फर्टिलाइजर प्लांट लगने में देर हो और

किमी नरीकें में बहा पर इमका लगना टल जाय ?

**Shri Humayun Kabir:** I think the hon. Member has undue apprehensions. We have been discussing about Barauni not with one foreign party but with a number of parties. The position is that the total requirements for Bihar in terms of nitrogen even in 1971 are not expected to be more than 130,000 tons. The capacity of Sindri itself is 117,000 tons. Therefore, both Bechtels and ICI whom we requested to look into the question of Barauni said that they do not visualise the fertiliser plant at Barauni before 1970-71. We have, therefore, asked for collaboration from the Soviet Union. This is an earnest desire of the Government to help north Bihar.

**Shri Subodh Hansda:** I would like to know the reasons for the rejection of the proposals of Bechtel Corporation by the Government when they came forward to assist the Government with all the foreign exchange.

**Shri Alagesan:** There were several conditions that were stipulated by them which we were not able to accept. For instance, there was the question of pricing policy, the question of the guarantee of off-take and then the question of the supply rights for sulphur, rock phosphate and naphtha. On all these very vital points we were not able to agree and, therefore, the negotiations broke off.

**Shri V. B. Gandhi:** May I know how far the negotiations with I.C.I. have progressed and is it a fact that these negotiations are proceeding on the basis of a ratio of participation of 51 per cent for I.C.I., 26 per cent for the Government and 23 per cent for private investors and, if it is not so, what is the current ratio of participation and what measures are the Government taking to reduce the high cost of fertilisers in India?

**Shri Humayun Kabir:** This was partly replied to by my colleague

that the plant would be set up not by the I.C.I. directly but by the Indian Explosives Company in which 70 per cent shares are held by the I.C.I. and 30 per cent by the Government and Indian investors. The I.C.I. have proposed that they will reduce their share from 70 to 51 per cent. We have not yet decided as to what should be the Government's participation in this because this is a plant in the private sector and we shall decide about Government's participation depending on the profitability of the scheme.

**Shri P. Venkatasubbaiah:** Is the Government aware of the fact that Andhra Pradesh is the largest fertiliser consuming State and maximum fertilisers are being used for increasing food production? If this is so, may I know whether the Government propose to start a fertiliser factory in the public sector as the private sector projects fall short of the requirements of consumption of fertilisers in Andhra Pradesh?

**Shri Alagesan:** There are two projects in Andhra Pradesh, one at Visakhapatnam and the other at Kothagudam. The Visakhapatnam project is progressing fairly well. Kothagudam was originally based on coal, but now they say that it is not profitable to proceed on the original basis and they have proposed a change-over to naphtha-based plant. They are examining the feasibility of that and I hope it will come off soon. As far as the public sector putting up a project in Andhra Pradesh is concerned, there is no such proposal at present.

**श्री श्रींकार लाल बेरवा :** राजस्थान में बीकानेर और गंगानगर की तरफ उर्वरक के बहुत कुछ भंडार मिले हैं। मैं यह जानना चाहता हूँ कि क्या वहाँ पर यह कारखाना लगाया जायेगा और कोटा में जो कारखाना लगाया जा रहा है, क्या उस को उठा कर किसी दूसरी जगह ले जाया जा रहा है?

**Shri Humayun Kabir:** We examined the different locations in Rajasthan

and the almost unanimous conclusion was that Kotah would be the best place for locating the fertiliser plant. Steps have been taken to have a fertiliser plant at Kotah.

**श्री गृहशान :** क्या यह सच है कि माननीय शास्त्री जी ने प्रधान मंत्री का पद सम्भालते ही तुरन्त इसी सदन में यह कहा था कि पंजाब हिन्दुस्तान का अनाज भंडार है? इस बात को ध्यान में रखते हुए जब कि पंजाब का किसान बहुत मेहनती है और वहाँ भी जाता है, वहाँ देश के लिए अनाज पैदा करता है, क्या सरकार पंजाब में एक उर्वरक का कारखाना लगाने का विचार रखती है?

**Shri Humayun Kabir:** I am happy to say that Punjab has one of the best fertiliser factories in India at Nangal and there may be a further expansion of its capacity when FACT at Alway changes over to naphtha. That will release certain electrolytic units which we hope to transfer to Nangal after the transformation has been completed.

**श्री गृहशान :** मैंने पूछा है कि नंगल को छोड़कर कोई और कारखाना लगाया जायेगा।

**Shri Humayun Kabir:** I have already replied to that.

**श्री शिव नारायण :** मैं यह जानना चाहता हूँ कि हमारे देश में अपनी आवश्यकता का कितने परसेंट फर्टिलाइजर पैदा होता है और फ़ारेन और हमारे देश में पैदा किये गए उर्वरक के दाम में क्या फ़र्क है।

**अध्यक्ष महोदय :** मैंने माननीय सदस्य को नहीं बताया है।

**Shri Vidya Charan Shukla:** Is it a fact that the Prime Minister, Shri Lal Bahadur Shastri, when he was the Home Minister and as Prime Minister also, assured the House that every State in the country would have at least one fertiliser plant? Secondly, in pursuance of the assurance, a fer-

tiliser plant was sought to be established in Madhya Pradesh at Korba and Government had spent about one crore of rupees. Now they are wanting to shift it out of Madhya Pradesh.

**Shri Humayun Kabir:** There is no question of shifting this plant out of Madhya Pradesh. It is a fact that Korba had been tentatively selected and if Korba had been established in due course, the plant would have been there, but unfortunately it was delayed and, in the meantime, there was a revolution in the technique of producing fertilisers. After 1963, it became most uneconomic anywhere in the world to produce fertilisers based on coal. In naphtha, there has been a technological revolution—I repeat the word 'revolution' because I heard someone questioning the usage of the term 'revolution'. This technological revolution makes it uneconomic today to produce fertilisers based on coal and on account of that we have had to give up the idea of Korba for the time being; we have not abandoned it. In the meantime, I have explored the possibility of some other plant somewhere in Madhya Pradesh based on naphtha. As yet, this is only in an exploratory stage and I cannot give the House any more information.

**Shri Vidya Charan Shukla:** My question has not been properly answered. I want to know whether the Prime Minister had given an assurance that every State shall have a fertiliser plant.

**Mr. Speaker:** The hon. Minister has spoken for about three minutes and explained the position, and yet the hon. Member says that the question has not been answered.

**Shri Vidya Charan Shukla:** My question has not been answered. I wanted to know whether the Prime Minister's assurance had been kept in view.

**Mr. Speaker:** I would like to put my difficulty before the House. Already about 15 minutes have elapsed,

and out of 20 names I have been able to call about 14 names. There are questions which have 55 names and even 60 names.

**Shri Raghunath Singh:** There is one question with about 60 names. That is the third question today.

**Mr. Speaker:** There are also other Members who have been rising in their places in order to catch my eye so that they might also get chances to ask supplementary questions. So, I would like to put my difficulty before the House. I would suggest that there ought to be some method in regard to this. Either I can allow more supplementary questions or I can allow more main questions. If the House agrees, we might just put a time-limit up to which one question should extend and during that time-limit, as many supplementaries as can be allowed may be asked.

**Shri Hari Vishnu Kamath:** The time-limit may be 10 minutes.

**Mr. Speaker:** That would mean that only six questions can be covered.

**Shri Hari Vishnu Kamath:** 10 minutes should be the ceiling.

**Some hon. Members:** Let it be 5 minutes.

**Mr. Speaker:** If the House agrees, we can have 5 minutes as the maximum for a single question. What I find is that every question develops into a regular discussion. That discussion should be had in a different manner and not in the form of these questions and supplementary questions.

If I bar out the names of those Members who have given their notices, then too I am blamed, and there are complaints that I have not allowed them opportunity for supplementary questions.

**Shri Ranga:** It is no good trying to reach a decision here and now. In this way, we shall only be reaching *ad hoc* decisions which cannot be implemented at all. So, let us take

some time to consider the matter. After all this is just the beginning of the session. During the interval or recess of Parliament, so many friends have thought it fit to give notices of so many questions in regard to one particular item, and, therefore, there is a huge number of names on the list. This may not happen as we proceed with the session. To try to reach a decision on the basis of the experience of the first two or three days of this Session or the first week of this Session is not going to be useful to the House.

**Shri Hari Vishnu Kamath:** You may call the leaders of the Groups and have a discussion with them.

**Shri Sham Lal Saraf:** May I suggest that only five minutes may be allowed to each question?.....

**Mr. Speaker:** I shall take those suggestions some other time.

श्री हुकम चन्द कछत्राय : अध्यक्ष महोदय,  
मे एक मुझाव देना चाहता हूँ।

अन्य महोदय : माननीय सदस्य वर  
मे मुझाव दें।—श्री कामत।

#### Relationship between Govt. Servants and People's Representatives

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\*62. { Shri Hari Vishnu Kamath:  
Shri Yashpal Singh:  
Shri Hem Raj:

Will the Minister of Home Affairs be pleased to refer to the reply given to Starred Question No. 1174 on the 5th May, 1965 and state:

(a) whether the draft Code to regulate the relationship between Members of Parliament and of State Legislatures and the Administration has been finalized; and

(b) if so, whether it will be laid on the Table?

**The Deputy Minister in the Ministry of Home Affairs (Shri L. N. Mishra):** (a) No, Sir.

(b) Does not arise.

**Shri Hari Vishnu Kamath:** What was the genesis of or need for the consideration of a code of this nature? Was there a spate of complaints on this score? Will the Code, when finalised, apply also to those Ministers who sometimes misuse their authority and powers to interfere in the day-to-day administration, particularly criminal investigation and prosecutions, besides appointments, promotions and transfers?

**Mr. Speaker:** There is no code as yet.

**Shri Hari Vishnu Kamath:** It is under consideration though it has not been finalised yet.

**The Minister of Home Affairs (Shri Nanda):** The hon. Member has picked up this opportunity to have a say about the Ministers.

**Shri Hari Vishnu Kamath:** There is nothing wrong about it. The Speaker has not ruled it out of order. I will utilise every opportunity to say so.

**Mr. Speaker:** Order, order.

**Shri Hari Vishnu Kamath:** He is making an insinuation.

**Mr. Speaker:** There is no insinuation.

**Shri Nanda:** I welcome it, because the Ministers . . . .

**Shri Hari Vishnu Kamath:** I only said 'some Ministers'. I did not say 'all Ministers'.

**Shri Nanda:** A much more stringent code has to be applied to the Ministers. This code is applicable to Members of Parliament, and that certainly applies to the Ministers, and in fact, much more.

**Shri Hari Vishnu Kamath:** In accordance with the practice prevalent in some Ministries, of deputing a competent team abroad for studying a question when it arises, the latest example of which is a committee set up by the Ministry of Information