

Shrimati Maftida Ahmed: In view of the fact that foodstuffs are also being illegally exported from India by unscrupulous traders to feed the Chinese troops on the border, may I know whether any smuggler has been detected so far?

Mr. Speaker: That is a different matter.

Fertiliser Plant at Kothagudium

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*891. { **Shri T. B. Vittal Rao:**
Shri Tangamani:
Shri M. R. Krishna:
Shri Madhusudan Rao:

Will the Minister of Commerce and Industry be pleased to refer to the reply given to Starred Question No. 294 on the 11th August, 1959 and state:

(a) at what stage is the proposal to set up a fertilizer plant at Kothagudium, Andhra Pradesh;

(b) whether there is any prospect of undertaking this project during the Second Five Year Plan period; and

(c) the nature of assistance that is being granted to the State Government in this respect?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra):

(a) The proposal to establish a fertilizer factory at Kothagudium as a State Government project in the public sector has been approved by the Government of India. The responsibility for the implementation of the project rests with the State Government.

(b) The State Government have informed us that preliminary action has been initiated and that work on the project will be taken up in the Second Five Year Plan and completed in the Third Plan period.

(c) The State Government have been assured that foreign exchange required for the import of plant and equipment will be suitably arranged and that all possible assistance will

be extended by the Centre in the planning and execution of the project.

Shri T. B. Vittal Rao: May I know the amount of foreign exchange asked for by the State Government?

Shri Satish Chandra: Foreign exchange which may be required during the Second Plan period will not be much. It is about a crore of rupees that they have asked during the plan period.

Shri T. B. Vittal Rao: Which are the foreign firms that the State Government has so far contacted for establishing this fertilizer factory?

Shri Satish Chandra: We do not have these details. The State Government addressed several firms. But our latest information is that Sindri will be appointed as the technical consultants to this factory.

Shri Tangamani: May I know whether the Government of India will make available foreign exchange to the extent of Rs. 1 crore that the State Government have asked for out of Rs. 7 crores which they will require for the entire fertilizer plant?

Shri Satish Chandra: About Rs. 11 crores will be required for the entire plant. It is not Rs. 7 crores, but Rs. 11 crores. Rs. 1 crore may be required for preliminary expenses such as placing of orders etc. This also is not required immediately, but it might be required in a year or so. That will be made available to them.

Shri Thirumala Rao: Is the whole capital being subscribed by the State Government itself or is the Central Government also helping it to some extent?

Shri Satish Chandra: The Central Government is not participating in the share capital of the company. It is possible that the State Government might, at a later stage, come up for some loans from the National Finance Corporation. But, for the present, all the capital is being subscribed either by the Andhra Government or by the

industrialists and the peasantry of Andhra.

Shri Nagi Reddy: What is the total capacity of the plant? Is the capacity of the plant as originally estimated going to be kept at the same or is it going to be reduced?

Shri Satish Chandra: According to the technical committee's report, on the basis of which we are proceeding, the capacity is 80,000 tons of nitrogen partly to be produced partly in the form of urea and partly in the form of nitrophosphates.

Export of Manganese Ore to U.S.A.

- *892. { **Shrimati Ila Palchoudhuri:**
Shri Panigrahi:
Shri Mohammed Imam:
Shri Achar:
Shri Muhammed Elias:
Shri Hem Barua:
Shri S. A. Mehdi:
Shri N. M. Deb:

Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that India is losing her position as a traditional exporter of manganese ore to the United States of America;

(b) if so, the causes and extent of deterioration in the export position; and

(c) the steps taken or proposed to be taken in the matter?

The Deputy Minister of Commerce and Industry (Shri Satish Chandra): (a) The exports had fallen in 1958. The declining trend now appears to have been arrested.

(b) and (c). Three statements are laid on the Table of the House. [See Appendix III, annexure No. 29.]

Shrimati Ila Palchoudhuri: From the statement I find that one of the steps to be taken immediately to arrest this decline is to do away with the imposi-

tion of the labour welfare cess of Rs. 2 per ton on manganese ore. That has been done. Is there no other method of arresting the decline in exports?

Shri Satish Chandra: The hon. Member will see from the statement that a number of measures taken so far are included therein. The labour welfare cess of Rs. 2 per ton has not been given up altogether. It has been deferred for the present till conditions in the manganese export trade are slightly better.

Shrimati Ila Palchoudhuri: Is Government aware that exporters used to finance the manganese mines to a certain extent and the State Trading Corporation cannot do that? That is also one of the reasons for the decline in trade. Has Government any scheme to finance the small mines, because the small mines produce practically half the manganese ore?

Shri Satish Chandra: The hon. Member's question is perhaps based on the assumption that the State Trading Corporation is a monopoly exporter of manganese ore. That is not so. It is only one of the parties. The private trade is also in the field and continues to export manganese ore. The State Trading Corporation is taking all appropriate steps which are taken by other exporters to help the mine-owners.

Shri Hem Barua: In view of the fact that the hon. Minister has spoken of Private traders, may I know whether the attention of the Government has been drawn to a statement made by Mr. Buskie, a member of the U.S. Trade Delegation to India, to the effect that lack of communications between the South Indian businessmen and the American market was largely responsible for this decline? If so, what steps Government have taken to improve this situation?

Shri Satish Chandra: I do not think that that statement was made in the context of the export of manganese