

of gas for a power unit, turbo-generating set, which is being examined.

SHRI R.P. DAS : Sir, I very much support the proposal of Shri Rao regarding setting up of a petro-chemical complex in Krishna-Godavari basin. In this connection, would like to know whether the Government will ensure supply of neptha to the tune of six lakhs metric tonne annually to the Haldia petro-chemical project which is being set up in the joint sector, a decision on which has been taken recently.

SHRI NAWAL KISHORE SHARMA : I am happy to learn that the West Bengal Government is proposing to set up the Haldia petro-chemical project in the joint sector. As and when there is need, we will try to meet the demand if possible.

[Translation]

SHRIMATI KRISHNA SAHI : Mr. Speaker, Sir I want to know from the hon. Minister whether the central Government have given approval to the setting up of caprolactam up in Bihar under the petro-chemical group of industries? If so, the details regarding its progress and the time by which the work will commence ?

SHRI NAWAL KISHORE SHARMA : Mr. Speaker, Sir so far as my information goes, government have, perhaps, given the approval for caprolactam and when approval has been given, it is hoped the work would start soon.

[English]

SHRI S. JAIPAL REDDY : Sir, will the hon. Minister tell the House as to what are the estimated gas stocks at Bombay High to feed the six gas-based fertilizer plants on the HBJ pipeline? I am putting this question with a view to finding out whether there is such a possibility in Krishna-Godavari basin.

SHRI NAWAL KISHORE SHARMA : The gas availability for the six fertilizer plants which are coming up, is sufficient to meet the demand of these fertilizer plants. But that is not the case with regard to the Krishna-Godavari basin.

SHRI S. JAIPAL REDDY : For Krishna-Godavari basin you have given the figure as 5.5 billion cubic metres. What about Bombay High ?

SHRI NAWAL KISHORE SHARMA : I think it is roughly 320 billion cubic metre. I do not exactly remember but it is nearly that much.

MR. SPEAKER : That is all right.

SHRI NAWAL KISHORE SHARMA : I require a separate notice for that.

[Translation]

SHRI MUKUL WASNIK : I want to know from the hon. Minister what the route of the proposed gas pipe line from Bombay high to Mathura would be? will it reach Mathura via Marathwada, vidarbha and Madhya Pradesh or will it pass through Gujarat ?

SHRI NAWAL KISHORE SHARMA : Although this question is not related to the main question, yet I would like to inform him that it would reach Mathura via Gujarat.

[English]

Recommendations of Export Committee on tyre Industry

*4. **SHRI BANWARI LAL PUROHIT :** Will the Minister of INDUSTRY AND COMPANY AFFAIRS be pleased to state:

- (a) Whether Government propose to take any action on the recommendations of expert committee on the tyre industry ; and
- (b) if so, the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF INDUSTRY AND COMPANY AFFAIRS AND IN THE MINISTRY OF HOME AFFAIRS (SHRI ARIF MOHAMMAD KHAN): (a) and (b). (Recommendations of the Satyapal Committee) are under examination of the Government.

[Translation]

SHRI BANWARI LAL PUROHIT : If we go by the number, There are a dozen big Companies manufacturing tyres, but 70 per cent of the market is being controlled by four companies at present. The price of a tyre which stood at Rs. 3,560, on 1st October, 1984, has shot up to Rs. 4,160 on 1st January, 1985, i.e., an increase of Rs. 600 in three months. Thereafter, an increase of 9 per cent was registered in March. Thus, They are raising the price arbitrarily and Government have no control on them. Government convene a meeting of the manufacturers and they say yes to the directives of Government but raise the prices

the next day. An expert Committee was Constituted for this purpose, but its report has not come before us. The dealers of tyres are feeling so concerned over this price-rise that they have threatened to launch an agitation. I want to know the recommendations of the expert committee and the impediments having faced by Government in implementing them?

MR. SPEAKER : Also ask whether the report will be placed before the House.

SHRI ARIF MOHAMMAD KHAN : If you permit me, I shall place the main recommendations of the Committee on the Table of the House, I can also read them out, but it will take more time.

MR. SPEAKER : You place them on the Table of the House. But you tell the House whether they are going to be of any use.

SHRI ARIF MOHAMMAD KHAN : I shall place these recommendations on the Table of the House with your permission. It is the endeavour of government to exercise control over the prices. For this purpose, after the last Budget, Government tried to bring the prices back to the old level by holding meetings at various levels with the tyre manufacturers. But, since Government have no control over the prices of raw material used in the manufacture of tyres, it has not been possible to control the prices of tyres. But, as I have already said, we are making efforts at different levels so as to keep the prices under control.

SHRI BANWARI LAL PUROHIT : Government want that the tyres should be made available at old prices, but they are unable to do so.

I want to know what steps Government propose to take in this regard? What we or you want would not help. I want to know what steps are proposed to be taken to make tyres available at old prices.

SHRI ARIF MOHAMMAD KHAN : The exercise of control on prices or the current price of a commodity in the market is a continuous process and government are engaged in it. The hon Minister of Industry particularly emphasized. This point in the Development Council of tyre manufactures that the prices of tyres should not be allowed to rise steeply. The Secretary in the Department of Industry has also.....

(Interruptions)

The only course open to us to have a check on the prices of tyres is to persuade tyre manufacturers not to charge unreasonable prices... ..(Interruptions)... ..Let me complete my reply. Sir, there is another course open to government and that is to Essential Commodities Act. Action can be taken under this Act...(Interruptions). We have got another course also.....(Interruptions) we can also consider that option, but that may lead to other difficulties also. We want to exercise control in such a way that it may result in actual benefits to the consumers.

SHRI BHAGWAT JHA AZAD : The hon. Minister has said that it is not possible for government to do so. Then, are these multi-millionaire tyre producers beyond the control of Government. The second point is that it was only at the end that he realised that there was the Essential Commodities Act also. I want to know how many times government have invoked this Act against these millionaires who fleece the people of this country by raising the prices of tyres.

[English]

THE MINISTER OF CHEMICALS AND FERTILIZERS AND INDUSTRY AND COMPANY AFFAIRS : (SHRI VEERENDRA PATIL) : Whenever there is increase in the price of tyre, the Minister goes into this in order to find out whether there is any justification for the increase and many a time we refer this matter to the BICP for study, which is supposed to be an expert body going into the question of cost of production and margin of profit and all that I may inform for the information of the House that so far as raw materials are concerned which goes into the production of tyres, one is natural rubber, another is synthetic rubber, third is nylon tyre cord, carbon black, polybutadiene rubber, etc. The price of these raw materials has gone up considerably. I can quote the instances. In October 1983 one increase took place. And then increase in some tyre price took place in 1984 once and again in February, 1985 and after the present Budget there has been one increase. (Interruptions). I am giving the comparative figures how the prices of raw materials have gone up.

SHRI BHAGWAT JHA AZAD : That we know.

(*Interruptions*)

MR. SPEAKER : Order, order.

PROF. K.K. TEWARY : Mr. Speaker, Sir, please allow Half-an-hour discussion on this.

MR. SPEAKER : We shall see. We can allow another discussion. Don't worry. We shall take care; we shall see.

SHRI VEERENDRA PATIL : Let me complete. If they are not satisfied, they can ask supplementary.

Regarding synthetic rubber, the price in October 1983 was Rs 19,000 per tonne. In April, 1985, it was Rs. 34,490. That is 29 per cent increase. Regarding nylon tyre cord, in October 1983, the price was Rs. 78,430. In April 1985 it was Rs, 94,750. It was 21 per cent increase. Regarding carbon black, in October 1983, the price was Rs. 13,860. In April, 1985, it was Rs. 16,500, That is, 19 per cent increase. Regarding Butyle Rubber, in October, 1983, the price was Rs. 29,850. In April, 1985, it was Rs. 41,170. The increase is 38 per cent. Regarding polybutadine rubber, in October, 1983, it was Rs. 16,600. (*Interruptions*) There are the raw materials which are required to produce the tyres. When the price is increased in respect of the raw material, then, naturally, it will have its reflection on the end product.

In addition to that ...(*Interruptions*). If you have patience. I will reply to all your queries.

In addition to that there is excise duty and if any commodity is imported, there is customs duty. Not only there is excise duty on all the raw materials which go into the production of tyre, but there is also excise duty on tyre. The excise duty on tyre is 66 per cent. And again percentage-wise I will tell you the duty.

The duty on natural rubber is 50 per cent, on synthetic rubber it is 122 per cent the duty on nylon tyre cord is 200 per cent, the duty on polybutadienne rubber is 88 per cent, and the duty on carbon black is 143 per cent. So, after taking all these considerations into account, when they increase the price of raw tyres, we ask the BICP to look into that to find out whether they are justified in increasing the price and if they are justified, to what extent they are justified

to increase the price and after getting the report, we have a dialogue with the manufacturers. In May 1983 when they wanted to increase the price and they increased the price, we prevailed upon the manufacturers to roll back the price. Similarly, we do this exercise and even after that if they do not listen to that and if they are taking an unjust stand, then we have already made it clear to that extent.....

(*Interruptions*)

SHRI BHAGAWAT JHA AZAD : I am asking what are the steps being taken to reduce the price. (*Interruptions*). I have asked whether the Essential Commodities Act has been used to bring down the price. That is not answered. On the other hand, the Government is giving exhaustive justification for the increase of price.

(*Interruptions*)

SHRI VEERENDRA PATIL: The question of exercising the powers under the Essential Commodities Act will arise only when they are justified in increasing the price. (*Interruptions*). Sir, I have not completed. (*Interruptions*). I was saying that we are prepared to exercise our powers under the Essential Commodities Act when we are convinced that the increase in the price is not justified. (*Interruptions*).

SHRI BHAGAWAT JHA AZAD : Even Modi cannot argue so well for the justification of increase in the price.

(*Interruptions*)

MR. SPEAKER : That is not the way.

SHRI VEERENDRA PATIL : Sir, in order to convince ourselves whether they were justified or not we asked the BICP to make a study. In the light of the study by BICP, if we feel that they are not justified, then we call them. I quoted an instance that in May 1983 we called them, we asked them to roll back the price and they agreed and they rolled back the price. Now, the question is about the recent increase. We are examining. I have already asked BICP to conduct a quick study and make a report to me and in this connection I have already had a detailed discussion with the manufacturers. In Bombay I even went to the extent of threatening them. That way, tyre is

under OGL. Anybody who feels that the tyre price is more than the international price, he is at liberty to import the tyre. It is under OGL.

(Interruptions)

PROF. MADHU DANDAVATE : Sir, the hon. Minister provided the rationale for the tyre manufacturers to increase the prices of tyre on the basis that the prices of inputs have gone up. I want to put a concrete question to the Minister : Is it the duty of this Government only to control and regulate the prices of finished products or is it not their duty also to control the prices of the inputs that are required for the manufacture of the finished products? And if you have a dual responsibility, I would like to know, over a long period what steps have been taken by the Government to see that the input prices are not allowed to rise so that they will not be able to justify the increase in the price of tyre? I want a concrete answer to that.

SHRI VEERENDRA PATIL : Input prices also sometimes rise and they are beyond our control. For instance.....

(Interruptions)

(Interruptions)

MR. SPEAKER : Listen to him.

SHRI VEERENDRA PATIL : They are not listening.

(Interruptions)

MR. SPEAKER : There has to be some answer. Let him finish.

(Interruptions)

MR. SPEAKER : Order, order.

SHRI VEERENDRA PATIL : For instance, synthetic rubber.

(Interruptions)

MR. SPEAKER : Please listen now.

SHRI VEERENDRA PATIL : For God's sake, I am requesting the Members to listen to me.

PROF. MADHU DANDAVATE : Not for God's sake, but for your sake I want to know.

(Interruptions)

MR. SPEAKER : Let him finish please. Let us see it. Let us hear the rationale.

SHRI BHAGWAT JHA AZAD : You please see it for consumers sake.

SHRI VEERENDRA PATIL : The hon. Member wanted to know whether it is not

possible for the Government to control input prices also. Sometimes it becomes difficult for us to control the input prices. I am giving an instance. Raw material that goes into the production of tyre is synthetic rubber, nylon tyre cord, carbon black butyl rubber etc. There are all petroleum based products. When petroleum prices go up because of the duty or because of the increase in the price of petrol or anything like that then how is it possible for me to control the prices? They are all petroleum based products. That is the difficulty. Where the prices of petroleum product has gone up, naturally it will have its reflections on the product which is produced out of that.

PROF. MADHU DANDAVATE : I did not get a clear cut answer. There are a number of countries in which as far as the inputs are concerned, they are devised alternate method by which sometimes a product can be made even taking the alternate sources or raw materials in order to see that the actual price of the product is regulated or at least reduced beyond the particular limit. If that is possible in other countries, why is it that our Government does not attempt that particular Procedure and control the prices of inputs so that the price of tyre will not go up?

SHRI VEERENDRA PATIL : I shall be happy if the hon. Member enlightens on this point that raw materials other than petroleum based products can be used for manufacturing tyres and there are other routes, also. In that case, I am prepared to sit with him, I am prepared to go into it and entrust this work to an expert body.

MR. SPEAKER : Dr V. Venkatesh.

SHRI INDRAJIT GUPTA : Let there be half-an-hour discussion.

MR. SPEAKER : We shall see it later on. I have allowed more than 15 minutes for this one Question.

SHRI INDRAJIT GUPTA : There should be a discussion.

MR. SPEAKER : Might be, But the Question is a question, It cannot be a discussion.

SHRI BHAGWAT JHA AZAD : We can have half-an-hour discussion.

MR. SPEAKER ; We will see,