

ply within the country. This is known to us. This is not a revelation made just now. This is known to us for the last four years that there is going to be an acute shortage of this raw-material which is required by thousands of small-scale factories in the country. What is the Government planning to see that there is a supply of raw-material to these units? May I know whether the Government is still going to play politics with the major plants like the Haldia Petro-Chemical plant and Vishakhapatnam Petro-Chemical plant which are going to remove the shortage. The only factory which is today supplying this internally is the IPCL and the production of IPCL is so low that it cannot meet even 25 per cent of the requirement of the industry. This being the case, when the hon. Minister says that there is a world shortage of raw-material—he had been going round the world finding out the sources for the supply of raw-materials, I would like to know as to what the Government is planning to see that this shortage is removed and internally there is increased production of this material.

SHRI J. VENGAL RAO: Several times, I answered this question, in the last Session also. We are setting up some Petro-Chemical Complexes. In the Year 1990, the Maharashtra Petro-Chemical Complex will come into production. There are four or five Petro-Chemical Complexes to be started like the Haldia Petro-Chemical Complex, the Vishakhapatnam Petro-Chemical Complex, the Hazira Petro-Chemical Complex etc. Therefore, there are five or six projects to be started. Now we have entered into the Plastic age. There is a dearth of raw-material. So, you must go to start more Petro-Chemical Complexes. But, all these are down-stream industries. Then only, we can meet this demand. It will take at least three years to meet this demand indigenously. Within these three years, we must import this raw-material from other countries.

SHRI BASUDEB ACHARIA: The production of Plastics and Chemicals of Union Carbide Company Ltd. at Chembur has been stopped since one year. There is a gap between demand and supply of plastics and

all other Petro-Chemical materials. As there was a demand in this House that this unit which is a profit-making unit should be taken-over by the Government, may I know from the hon. Minister whether the Government is considering to take-over this profit-making unit of Union Carbide Company Ltd. at Chembur.

SHRI J. VENGAL RAO: The overall capacity of the Chembur unit is only 15000 tonnes. This is a profit making unit. But, you know that in the Bhopal Gas case, the litigation is going on between the Government of India and the Union Carbide Corporation. It is their property. That is why Government is not going to take over that unit. If they sell it to any private party, they must deposit the amount in the court. There is a lot of procedure in it.

SHRI BASUDEB ACHARIA: You can take over it without giving any compensation to the company.

SHRI J. VENGAL RAO: Now there is no question of take-over.

Hike in Tyre Prices

*76. SHRI INDRAJIT GUPTAT
SHRI SATYENDRA NARAYAN SINHA:

Will the Minister of INDUSTRY be pleased to state:

(a) whether the tyre manufacturers have recently raised the prices of tyres; and

(b) if so, the details thereof and the action Government propose to take to bring down the prices of tyres?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM): (a) and (b). According to Automotive Tyre Manufacturers Association, prices of various categories of tyres have been increased by the tyre companies ranging from 2% to 6% in Octo-

ber, 1988. Government have already placed import of certain categories of bus and truck tyres under O.G.L. at reduced rates of duty in order to keep a check on prices of such tyres.

SHRI INDRAJIT GUPTA: I am surprised that the Government has to depend on the automotive tyre dealers association to learn whether the prices have been put up or not put up. I think, prices of tyres cannot be put up without the prior approval of the Bureau of Industrial Costs and Prices. But if that system has been changed now, he should tell us....

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO): There is no such procedure because there is no control on this tyre industry by the Government. Now we are referring it to the BICP. I entirely agree with the Hon. Member that the prices have gone up and we referred it to the BICP. Another thing is that we allowed the Truck Tyres' Association and the major road transport corporations to import on OGL. The road transport corporations have already placed orders for 30,000 truck tyres on OGL.

SHRI INDRAJIT GUPTA: It is very kind of the Minister to start replying before I completed my question. I am very grateful to him. What I was trying to ask—it is still my first question—was that if the Bureau of Industrial Costs and Prices does not necessarily have to give any prior approval, it means that raising of prices of tyres by the manufacturers can go on without any restriction or hindrance. I believe that three or four times in a year they go on raising the prices. I want to know from the Government—obviously they consider the prices to be too high otherwise they would not have allowed import of tyres on OGL—whether he will kindly tell the House that after these items have been put on the OGL, what is the total quantum of tyres which have been imported from outside? I am referring to truck tyres mainly. I would like to know whether those imported tyres are marketed here in India at a price which is lower than the prices of the indigenously manufactured tyres.

SHRI J. VENGAL RAO: As Hon. Member has mentioned, Government has no mandatory powers to control these prices or even through BICP. That is why, tyre industries are in the hands of big people, in the hands of five or six people and they are controlling the whole industry. (*Interruptions*) Kindly hear me. they are trying to dictate to the Government. That is why.....(*Interruptions*)

I am answering the question very frankly because.....(*Interruptions*)

MR. SPEAKER: Order, order.

SHRI J. VENGAL RAO: Unless and until we control these people, they will not be able to come round. That is why, in spite of the opposition, we allowed its import on OGL and the road transport corporations have already placed orders for 30,000 truck tyres. Even we are allowing associations to import on OGL.

SHRI INDRAJIT GUPTA: I wanted to know about the prices of imported tyres and how they will compete with the prices of the indigenous tyres because otherwise if prices are high of the imported tyres, they will not exert any pressure on this small group of manufacturers here.

SHRI J. VENGAL RAO: Their tyre prices were lower than our indigenous tyre prices.

SHRI INDRAJIT GUPTA: In the newspapers we find big advertisements issued by some of these big tyre companies like JK, Modi, etc. where they are complaining—I want to know whether their complaint has got any basis—that the prices of the raw materials which go into the manufacture of tyres like the nylon cord are going up without the Government doing anything control them and therefore they are compelled to raise the prices of the finished tyres. I want to know from the Government what is the position in this regard.

SHRI J. VENGAL RAO: Of late, the

prices of rubber and nylon cord have gone up internationally. But their price rise is very high when compared with other countries.

DR. DATTA SAMANT: I am dealing with three or four companies like CEAT, Modi, Dunlop and MRF. They are controlling about 79% of the production of this country and they regulate the prices. It is the need of the people because tyre is a requirement for any vehicle. It is high time the Government controlled the prices and gave more licences to see that there is some competition.

SHRI J. VENGAL RAO: Dr. Datta Samant is the labour leader in the Modi Rubber in Bombay. He knows it very well.

DR. DATTA SAMANT: The prices went up by 20% in the last two years.

SHRI J. VENGAL RAO: To control these prices only we allowed for the first time in the history of this country the OGL import of these truck tyres.

SHRI S. JAIPAL REDDY: I would like to know from the Minister whether the Government would not consider the measure of seeking to control the prices through certain mechanism rather than allowing the import through OGL. The Minister is aware that the foreign exchange position of the country is rather in a bad shape and we cannot afford this kind of liberal import. Therefore would the Minister be illiberal to the tyre manufacturers?

SHRI J. VENGAL RAO: It seems Mr. Jaipal Reddy has supported the tyre manufacturers. We are allowing only one time import to teach a lesson to the tyre manufacturers.

SHRI S. JAIPAL REDDY: I have asked him to intervene to control the prices.

MR. SPEAKER: Next question.

SHRI S. JAIPAL REDDY: He did not answer my question.

Pending Applications for Electricity Connections in Mayur Vihar (Phase 2), Delhi

*77. **SHRI HAROOBHAI MEHTAT
SHRI MUKUL WASNIK:**

Will the Minister of ENERGY be pleased to state:

(a) whether a large number of cooperative group housing societies have applied to the Delhi Electric Supply Undertaking for provision of electricity in Mayur Vihar (Phase-2), Delhi;

(b) if so, the details of the applications pending with the DESU;

(c) whether the Samachar Cooperative Group Housing Society, promoted by journalists, have also applied for the electrification of their housing complex; and

(d) if so, the action taken thereon?

THE MINISTER OF STATE IN THE DEPARTMENT OF POWER IN THE MINISTRY OF ENERGY (SHRI KALPNATH RAI): (a) and (b). According to Delhi Electric Supply Undertaking, as on 3rd November, 1988, only five Cooperative Group Housing Societies, namely Sadar, Samachar, Vasant, Educational and Manas Vihar had made formal requests for undertaking electrification of their colonies in Mayur Vihar Phase-II.

(c) and (d). Yes, Sir. According to DESU the electrification scheme in respect of Samachar Cooperative Group Housing Society has been repaired after receipt of the built up space for two electric substations from the Society on 24.10.1988. The case is being processed further in the DESU.

SHRI HAROOBHAI MEHTA: What is the time frame by which.....

MR. SPEAKER: The Question House is over.