

LOK SABHA

Wednesday, August 13, 1969 | Sravana 22, 1891
(Saka)

The Lok Sabha met at Eleven of the Clock.

[Mr. Speaker in the Chair]

ORAL ANSWERS TO QUESTIONS

Indo-Iranian Joint Commission

*511. SHRI R. BARUA :
SHRI N. R. LASKAR :
SHRI CHENGALRAYA
NAIDU :

Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) whether it is a fact that the Indo-Iranian Joint Commission for Economic Trade and Technical Cooperation held its meeting in June, 1969 in Tehran ;

(b) if so, the subjects discussed in the meeting ;

(c) whether the Commission's progress has been slow in view of the fact that no action was taken for six months ; and

(d) the decisions arrived at in the meeting ?

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

(b) and (d). A copy of the Joint Communique issued at the end of the First Meeting of the Joint Commission is placed on the Table of the House. [Placed in Library. See No. LT-1654/69]

(c) No, Sir. Experts and officials of the two Governments had in the interim period been engaged in preliminary studies and preparatory meetings were also held in Tehran from May 8 to May 10, 1969.

SHRI R. BARUA : The Shah of Iran came sometime in January, 1969, and yet nothing concrete is taking shape. Is it because Iran has got some soft corner for Pakistan and because of pressure from Pakistan the entire thing enumerated in the communique is not going to be implemented and some more time is likely to be taken ?

SHRI DINESH SINGH : I do not think that Iran is influenced by any pressure that Pakistan may bring. So far as the joint collaboration, in the first instance, is concerned, this has been consciously undertaken by the two Governments and an agreement has been arrived at. But may I say that all these are matters which take a little time. Certain studies have to be made : studies of economics ; certain projects have to be prepared ; people have to be collected ; and it does take a little time.

SHRI R. BARUA : From paragraph 5 of the statement, it appears that there are many proposals in various stages of negotiation between Iranian and Indian parties for the establishment of joint ventures. May I know the names of a few of them which are in an advanced stage of negotiations ?

SHRI DINESH SINGH : So far as we are concerned, we shall be discussing the projects that will be in the public sector. The private sector will be free to negotiate directly. In the public sector, we are anticipating,—(Interruption)—we are having under active consideration, a scheme for the joint manufacture of ammonia.

SHRI N. R. LASKAR : I would like to know whether, out of these many proposals, any particular proposal is to be taken up immediately, because, already six months have passed after the negotiations ?

SHRI DINESH SINGH : I mentioned just now the specific one that is under active consideration.

SHRI CHENGALRAYA NAIDU : The

Government in their talks with the Iranian people have appointed several committees, any they have nominated some conveners so that these committees may meet. May I know from the Minister one thing? In the note, they have said that for the manufacture of ammonia, the Iranian and Indian Governments are collaborating to set up a plant in Iran, and then to use the ammonia for the manufacture of fertilisers in India. Why should they set up a plant in Iran? Why not they set up the plant in India and produce ammonia so that immediately it may be sent to the fertiliser factories for the manufacture of fertilisers?

The other thing is regarding the collaboration in respect of railways. May I know from the Minister what is the progress in this regard?

SHRI DINESH SINGH : I did not hear the second part of the question.

SHRI CHENGALRAYA NAIDU : I am asking him about the manufacture of ammonia and the setting up of a plant for it in Iran. Why can't he set up that plant in India?

SHRI DINESH SINGH : Because we do not have the gases here which are required.

So far as the second part of the question is concerned, the project to manufacture railway wagons is also under examination.

SHRI SWELL : Despite the fair amount of publicity given to these talks between India and Iran, it would appear from the Minister's reply that no firm deal has yet been struck with this country. I would like to know from the hon. Minister as to how long more it will take for any deal to be settled and whether it is a fact that the Shah of Iran had complained about the pace at which we are moving towards this co-operation and what are the specific grounds of this complaint.

SHRI DINESH SINGH : No complaints have been made to us. So far as the pace is concerned, the hon. Member will appreciate that all these things are not just a question of intentions; feasibility reports have to be prepared, the exact resources have to be collected, and the site has to be selected. It takes a little time to prepare

these things. After an agreement is reached, for anybody to set up a factory there is always a time-lag.

SHRI S. KANDAPPAN : The statement on page 3 referring to commercial co-operation says :—

"In the field of commercial co-operation, while India will be facilitating the purchase of ammonia, sulphur and phosphoric acid from Iran, Iran will likewise be facilitating the purchase from India of steel products, including billets, certain chemicals, other intermediates, railway and other equipment, spares etc."

I am not able to understand why billets are included among the items of export to Iran. While we are facing acute shortage in our country, will it be to the benefit of India to export billets to Iran?

SHRI DINESH SINGH : Yes, Sir; at times it becomes necessary to export some item even though we require it because the priority is for export.

SHRI S. KANDAPPAN : Is it not a fact that some of our rolling mills are idle for shortage of billets? When that is the position, what is the rationale behind this kind of an approach? I want a categorical answer. Shri Bhagat is there. Let him answer it.

SHRI DINESH SINGH : I am sure, my colleague, the Steel Minister, will be able to give the answer about the rolling mills being idle or not; but when we decide to export an item, we naturally take into consideration its utility here and if it affects adversely in an economic sense, we would not do it.

SHRI R. K. AMIN : The hon. Minister is aware of the fact that the question of import of ammonia arose from the proposal of Tata fertiliser plant at Mithapur in which it was mentioned that when ammonia from Iran will be imported salt will be exported to reduce costs not only by suitable location but also in the freight charges. When the question of collaboration between India and Iran was discussed in this House, I asked the question on that subject to the Minister and he assured me that one of the

main consideration for such collaboration would be the establishment of salt-based industry in Iran by Indian assistance and the import of ammonia from Iran. I find here that collaboration by linking ammonia import with...*(Interruption)*

MR. SPEAKER : What is the question ?

SHRI R. K. AMIN : My question is : Would he assure me whether collaboration in the establishment of salt-based industry in Iran would be sought ; when ammonia is imported—does not matter even if this import is in the public sector—will that public sector plant be located at Mithapur or near about that place which is the most economical site ? and, when the export of billets is made, will it be at a price profitable to us or will we still continue to incur losses in our export ? Will he be able to give me these assurances ?

SHRI DINESH SINGH : I do not know which particular losses in exports the hon. Member is referring to. I think, we are doing very well with exports and we have to congratulate my hon. colleague in the sense that we have had more exports than imports in June last. I do not think there is any need to show any concern on this account. So far as these exports are concerned, I am sure, the economic ministries concerned will go into the details to see that exports do not affect our own economic activity. They may affect our consumption as such. So far as the site of a particular project is concerned, if the hon. Member would put a question to the appropriate Ministry, he will get the reply.

SHRI R. K. AMIN : What about establishing the salt-based industry in Iran ?

SHRI DINESH SINGH : This is to be examined.

SHRI PILOO MODY : I am surprised at the cavalier manner in which the Minister has replied to an earlier question when he said that the exports are more important. I cannot understand our Minister who goes abroad and promises our billets for which there is acute shortage in the country...

MR. SPEAKER : This is not a question

of your feeling. I am still waiting for a question.

SHRI PILOO MODY : It is very important that Ministers are informed before a question can be asked. Otherwise, they answer questions without any information whatsoever. I am surprised at the casualness with which he said that his colleague, the Minister concerned, would know about it. Does he realise the amount of unemployment that is likely to be caused as a result of shortage of billets in India this year that he has gone there and promised them to the Iranians ?

SHRI DINESH SINGH : If I may say so, the casualness is entirely on the part of the hon. Minister who mixed up the words import and export. So far as the substance of the question is concerned, we are expanding our capacity to manufacture billets and, I think, it will be possible for us to be surplus and export more and more of billets.

SHRI PILOO MODY : When you become surplus, by all means, you can export them.

SHRI CHINTAMANI PANIGRAHI : May I know from the hon. Minister, now that good luck has come both to India and Iran because of joint collaboration in the exploration of oil in Iran and, recently, oil has been struck in the wells which are being operated through our joint collaboration in Iran, and that in view of the recent difficulties which we are facing with the foreign oil companies here—our share from Iranian crude oil comes to about 3 lakh tonnes per year and if we purchase their share, it comes to about 6 lakh tonnes—taking that into consideration, whether the Government of India has consulted the Iran Government to get their share of crude oil which is available at cheaper rates so that we may meet our present difficulties with the foreign oil companies here ?

SHRI DINESH SINGH : These are specific matters concerning specific Ministries. If the hon. Member would put these questions to the appropriate Ministry, he will get a reply. Here, we are dealing with a general arrangement that we have made for closer economic cooperation.