

crores and the Rajasthan Government proposed to give them about Rs. 50 lakhs under-writing.

**Shri Raghunath Singh:** May I know when the zinc smelter at Calcutta will start functioning?

**Shri Manubhai Shah:** That was the question tabled by the hon. Member. As I have said in my answer, the details are yet to be received in respect of the other smelter based on imported concentrates to be established in the Calcutta region.

**Shri T. B. Vittal Rao:** The original proposal was for foreign collaboration with Messrs. Rio-Tinto and this Metal Corporation. May I know whether that same foreign collaboration stands? May I also know from which country the firm which is going to set up the smelter at Calcutta will get the concentrates?

**Shri Manubhai Shah:** As far as the Zawar smelter is concerned, the proposal was to have a triple collaboration with Messrs. Panoraya and Cie, Messrs. Krebs & Cie, and Messrs. Rio Tinto. The present collaboration is with Messrs. Panoraya and Cie and Messrs. Krebs & Cie. Messrs. Rio Tinto do not come into the picture because they i.e. Metal Corporation of India are themselves developing the mining pact. Regarding the second smelter, perhaps it will be with Canadian collaboration, but it has not yet been finalised.

**Shri Tangamani:** May I know which is the private party that is going to be given this licence for setting up another 12,000 tons per annum zinc smelter based on imported concentrates and what is going to be its capacity?

**Shri Manubhai Shah:** It works out to 12,000 tons to 15,000 tons. The party is Messrs. G. D. Binani & Co., Calcutta.

**Shri Harish Chandra Mathur:** Is it not a fact that of the vast area licensed to this company only a small

portion is being exploited at the present moment and that too has been possible only with such great assistance from the State Government and the Central Government? If that is so, may I know whether Government are thinking of exploiting the remaining area as a public sector project?

**Shri Manubhai Shah:** The whole area, as I said, is included in it, and I hope the hon. Member will give some time to this factory to come forward. It will contribute richly to the industrial development of the Rajasthan area.

**Shri Kasliwal:** In the statement the hon. Minister has said that if the ores are proved so much more expansion of smelter will be made. May I know what particular steps Government are taking to see that the ores are proved?

**Shri Manubhai Shah:** The collaboration and development of the mine are being watched from day to day. As I have answered already from 500 tons they have come up to 2500 tons of ores and that is a very promising start.

**Shri Ram Krishan Gupta:** The hon. Minister stated that these firms have got foreign collaboration. May I know whether they have also got any financial assistance; if so to what extent?

**Shri Manubhai Shah:** With regard to the second smelter, as I have already indicated, the details are yet to be worked out. There may be 25 per cent. financial participation from the foreign party according to present indications, but nothing has been received by us in any final shape.

#### Jute and Hessian Futures Trading

\*767. **Shri Rameshwar Tantia:** Will the Minister of Commerce and Industry be pleased to state:

(a) whether it is a fact that the basis of margin deposits was changed several times on jute and Hessian futures trading in Calcutta during the last 6 months; and

(b) the reasons for these changes?

**The Minister of Industry (Shri Manubhai Shah):** (a) No, Sir.

(b) Does not arise.

**Shri Rameshwar Tantia:** The hon. Minister said that no changes have been made. But I think, Sir, changes have been made in the basis of margin deposits in the future markets in Calcutta.

**Shri Manubhai Shah:** What the hon. Member has in mind is not this six months period for which I have said: "No, Sir." In the previous six months, it is true, when we really brought in the margin system in the jute market in Calcutta there were three or four changes to be made in the early stages. But in the last six months not many changes have been made.

**Shri Rameshwar Tantia:** When Pakistan grows equally or more jute than India, what was the objective of putting this margin in India, and may I know whether as a result of that margin we had to sell our goods to foreign countries cheaper than the goods sold by Pakistan?

**Shri Manubhai Shah:** That was exactly the reason. Because prices were running away in a speculative manner we wanted to protect both the producer and the exporter. For that it was thought necessary to bring the price structure to a reasonable level; otherwise, as the hon. Member is fully aware, the prices were running away sky-high.

**Shri Tyagi:** Did the scheme of margin deposits on jute and hessian have any effect in depressing the price of Indian jute in foreign markets in relation to the price obtained by Pakistan jute in the same market?

**Shri Manubhai Shah:** No, Sir.

**Shri Indrajit Gupta:** The purpose of introducing this margin system was, as the hon. Minister has said, to check the speculation in prices. In the course of a statement by the Minister of Commerce and Industry on the 4th March last in reply to a Calling Attention Notice by me, it was said that the margin system had to be introduced because many of the mills themselves were indulging in speculative buying instead of only selling. May I know whether it is not a fact that this margin system has actually failed to curb the speculation in prices and, if so, why is it that recently the Government has agreed to hand over the control of this price line virtually to the mills themselves, namely, the Indian Jute Mills Association?

**Shri Manubhai Shah:** Many of the assumptions of the hon. Member are not quite correct. Firstly, as he may be knowing fully, the operators and the mills in most cases in the Calcutta market are common, and therefore the speculative tendency is prevalent both among the mills and the operators, and the margin system has worked quite successfully. I would not say, nor would the Government lay claim, that the evil has been rooted out, but it has proved a good instrument to keep a check.

**पांडिचेरी का विधि सम्मत रूप से हस्तान्तरण**

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क्या प्रधान मंत्री १३ दिसम्बर, १९६० के तारंकित प्रश्न संख्या ८८२ के उत्तर के सम्बन्ध में यह बताने की कृपा करेंगे कि पांडिचेरी के भारत को विधिसम्मत रूप से हस्तान्तरित किये जाने के सम्बन्ध में अब तक क्या प्रगति हुई है और उस के कब तक हो जाने की संभावना है ?

**बैरोलिक कार्य उपमंत्री (श्रीमती सयमी मेनन) :** इस मामले में धीरे कोई प्रगति नहीं हुई है और काम की सरकार ने अभी तक