

प्राप्त हुआ था। यह स्पष्टीकरण अब इस लिए दिया जा रहा है कि ताकि ऐसी किसी संभव गलतफहमी से बचा जा सके कि समिति को राज्य सरकारों से कोई अनुदान प्राप्त हुआ था।

12.30 hrs.

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

REPORTED STATEMENT BY THE CHAIRMAN AND MANAGING DIRECTOR OF THE FERTILIZER CORPORATION AT THE PRESS CONFERENCE

Shri P. Venkatasubbaiah: (Adoni): I call the attention of the Minister of Petroleum and Chemicals to the following matter of urgent public importance and I request that he may make a statement thereon:

"The reported statement by the Chairman and Managing Director of the Fertilizer Corporation at the Press Conference that Fertilizer Corporation of India is capable of setting up two fertilizer plants a year."

The Minister of Petroleum and Chemicals (Shri Alagesan): Lately, reports have appeared in the Press that though the Fertilizer Corporation of India are now well equipped for design, engineering, procurement and installation of two fertilizer plants a year, Government are not utilising their services to the fullest extent. I would like to remove any misunderstanding that might have been caused in this regard.

The Planning and Development Division of F.C.I., since its formation in 1962, has been doing very good work. It was called upon to foster fundamental and applied research in fertilizer technology, develop indigenous know-how of various processes and to create an agency for design, engineering and installation of fertili-

zer plants. It has been carrying out the above tasks quite satisfactorily. The 300 tonnes/day ammonium sulphate plant at Namrup, the off-site facilities at Gorakhpur, the additional gas generators and the naphtha gasification plant both at Sindri, have all been designed and engineered completely by the P&D Division of F.C.I. In the field of process know-how and development also, the P&D Division has made a significant contribution in the development of catalysts as well as of certain processes.

Thus, the P&D Division has until now been engaged in designing and engineering parts of fertilizer plants. It was only in March 1966 that Government decided to go ahead with the Durgapur and Cochin fertilizer projects, finding the foreign exchange from their own resources for the two projects. Government also decided to entrust full responsibility for the design, engineering and construction of these two projects to the P&D Division of F.C.I. and to the Engineering and Design Organisation of the Fertilizers and Chemicals Travancore Ltd. This latter organisation has also been engaged in carrying out its expansion activities over the past several years utilizing design and engineering to the maximum extent possible within the country. Besides, it has also been responsible for the development of the process know-how for the manufacture of ammonium sulphate from by-product gypsum. This assignment of building the Durgapur and Cochin projects was both a challenge and opportunity to these two technical organizations and they welcomed it.

As the two organisations did not possess the process know-how for urea synthesis and ammonia synthesis Government sanctioned the purchase of these know-hows by F.C.I. from M/s. Montecatini of Italy. Similarly, Government sanctioned the purchase of process know-how for synthesis gas plant etc. by F.A.C.T. from M/s. Power Gas Corporation of U.K.

To facilitate matters, the two projects were made identical in respect of their size and end products, and an agreement was reached between F.C.I. and F.A.C.T. as to the part of total work each would be responsible for. I am glad to say that they have made good progress in the discharge of their responsibilities. On 31.8.1966 F.C.I. and F.A.C.T. have signed agreements with M/s. Montecatini and M/s. Ansaldo of Italy for supply of ammonia and urea plants for the two projects. Orders will be placed on indigenous manufacturers also for that part of the equipment to be fabricated in India in the course of the next few months.

It is expected that by the first quarter of 1967, the work of process design and engineering will be over. It will take another year or so for the equipment to arrive at site. After the arrival of equipment at site, it will take another year for the erection to be completed. According to this time schedule, the plants will be commissioned in April, 1969.

The question is to feed the F.C.I. and F.A.C.T. with work on a continuing basis. Since the process design and engineering sections of these two organisations will be comparatively free from the first quarter of 1967, my Ministry has proposed that two more fertilizer projects should be taken up on hand in the public sector, to be financed either on the basis of suppliers' credit, if available, or free foreign exchange, if necessary. These two projects can be entrusted to F.C.I. and F.A.C.T. for implementation.

It is Government's policy to fully utilize the capabilities of the two technical organizations that are part of F.C.I. and F.A.C.T. in putting up fertilizer plants based on modern technology and to make use of indigenous fabrication facilities to the maximum extent. I am convinced that if the ambitious targets set in the Fourth Plan for establishing fertilizer capacity and production are to be

achieved, the public sector has to play a major and a more positive role than has been envisaged so far. I hope the necessary resources will be found for such a self-reliant effort.

Shri P. Venkatasubbaiah: I am glad that the hon. Minister has removed the misapprehensions that have been created by the wrong report about the press conference that had been held. In this connection, I would like to know whether the necessary foreign exchange has been made available to this Ministry to go ahead with the fabrication and manufacture of the fertilizer plants in the country so that they may be able to reach the Fourth Plan target, and in addition, may I know whether they are going in for the setting up of the turn-key jobs with foreign collaboration?

Shri Alagesan: The foreign exchange cost of these two projects is being financed in two ways: We get supply of credit from Italy for 30 million dollars, and another Rs. 10 crores will have to be provided from free foreign exchange. As far as the suppliers' credit goes, we have made agreements with the Italian companies. The amount of Rs. 10 crores of free foreign exchange will be drawn as and when necessary. We have initially made a request for a sum of Rs. 40 lakhs for purchasing stainless steel which will be used by the indigenous fabricators for fabricating equipment that will be ordered.

Shri Kappen (Muvattupuzha): If the managing director has not made this statement actually, may I know why no denial was issued to the press?

Shri Alagesan: I am sorry; there was an occasion here some time ago when while answering a question I had made the position very, very clear. Of course, we did not issue any contradiction of the report that appeared in the press directly. I hope that the statement which I have just now made will provide the real

[Shri Alagesan]

facts of the situation. In the answer which I had given here I had said that the reports that had appeared in the press were not correct and that the chairman and managing director had not been reported properly in the press. I have already said that on the floor of the House.

Shri K. C. Pant (Naini Tal): In the last paragraph of the statement, the hon. Minister has said:

"I am convinced that if the ambitious targets set in the Fourth Plan for establishing fertilizer capacity and production are to be achieved, the public sector has to play a major and a more positive role than has been envisaged so far."

Where are the restrictions?

Shri Alagesan: I should like to answer this question. By the end of the Third Plan, we have established a capacity of 600,000 tonnes. The target fixed for capacity by the end of the Fourth Plan is 2.4 million tonnes. That is, we shall have to establish an additional capacity of 1.8 million tonnes. This is divided roughly half and half between the public sector and the private sector. That is to say, 900,000 tonnes capacity will have to be established in the public sector and the balance of 900,000 tonnes will have to be established in the private sector. As far as I am able to assess, the private sector may not be able to fulfil the task assigned to them. Taking in view the large amount of delays that occur in negotiations etc. between private parties and Government—and these delays occur even when the proposition is to put up a plant in the private sector and not a proposition of collaboration between private parties and Government; purely private sector propositions also take a lot of time in negotiations, settling of matters etc.—I believe that the private sector at the most can put up a capacity of only 300,000 tonnes. So, the balance of 600,000 tonnes remains,

which may be taken care of by about three or four plants in the public sector.

So, in addition to the responsibilities which the public sector has already undertaken, it may have to undertake a further responsibility of putting up a capacity of about 600,000 tonnes which the private sector may not be able to fulfil.

During the Third Plan, we relied largely on the private sector performance and our achievements were woefully behind the expectations and behind the targets set forth in the Plan document. If such an experience is not to be repeated, I think that in time we should take steps to correct the imbalances.

Shri Ranga (Chittoor): It is a confession of failure by Government.

Shri Bhagwat Jha Azad (Bhagalpur): It is very good. Let him go ahead.

श्री विश्वनाथ पाण्डेय (मलेमपुर) :
उपाध्यक्ष महोदय, मंत्री महोदय ने जो
विवरण अभी मदन के नामने पढ़ा है उस में
उन्होंने कहा है कि :

"The 300 tonnes/day ammonium sulphate plant at Namrup, the off-site facilities at Gorakhpur...."

तो मैं यह जानना चाहता हूँ कि गोरखपुर में उर्वरक कारखाने की जो प्रगति है वह बहुत धीमी है. उस का कारण क्या है, और यह भी कि गोरखपुर उर्वरक कारखाने में उत्पादन कब से आरम्भ होगा ?

Shri Alagesan: This is a question relating to the progress of construction of the Gorakhpur factory. A few days ago the General Manager of the factory met me. There was some delay. I think the delay was about two months. There was some strike by contract labour in the mechanical erection section, that led to some delay, but still he is hopeful that more or less by the time that has been indicated, namely by about the middle

of next year, he will be able to commission the plant.

Shrimati Akkamma Devi (Nilgiris): Keeping in view the delay experienced at various stages for want of foreign exchange and also keeping in view the importance of fertilisers in increasing agricultural production, may I know whether Government will give top priority to the fertiliser projects at Durgapur and Cochin by giving not only the necessary exchange but also in time, so that these two plants at Durgapur and Cochin will be commissioned well before the time fixed for them?

Shri Alagesan: I am glad for the support the hon. Member gives, and also the House generally gives, for timely getting of foreign exchange etc.

Shri Bhagwat Jha Azad: We are all for help.

Shri Alagesan: The question is: in a period of about 36 months, three years, we propose to put up these plants. If we take the period of construction of the earlier plants, you will find that they have taken six, seven, even eight years. So, we have reduced the period by more than half, and I hope we will be able to do it in time.

Shri P. C. Borooh (Sibsagar): Fertiliser production has been given topmost priority in the fourth plan. It is said that fertiliser can be produced very quickly by adoption of the turnkey system. May know what is the approach of the Government to this turnkey system, and whether according to this turnkey system we are going to have production of fertilisers in this country?

Shri Alagesan: There is a general feeling that once you give a job on a turnkey basis it is done in a much lesser time than if you yourself start doing it, but my experience does not prove this sort of general belief. We entrusted the Cochin refinery project on a turnkey basis. We were told that it would be constructed within a period of 30 months. Now it is going to take us another year. There
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may be some justification for a delay of six months because there was some delay in placing the site at their disposal, but for the other six months certainly there is no justification in my view. So; it is wrong to believe—I have got other instances also—that once you give a project on a turnkey basis it is going to be done in much lesser time than otherwise. It is not borne out by our own actual experience.

Shri M. R. Krishna (Peddapalli): The Minister said that in the public sector the full capacity of fertiliser has not been produced. If it is so, I would like to know what are the reasons for not producing the full capacity in the public sector. Secondly, I would like to know the programme of production and fabrication of these machineries which have been chalked out by the organisation created in 1962, whether the programme of production and fabrication has been allowed to be carried out in full by giving all the foreign exchange and other assistance, or whether any reduction in that programme has been made.

Shri Alagesan: I did not say that the public sector projects are not producing to capacity. For instance, in Sindri we are producing a little below the regular capacity, but we are taking certain steps so that we may reach full capacity. For instance, Nangal is producing full capacity, in Trombay urea production is up to full capacity, but there is some difficulty in nitrophosphate production. The hon. Member wanted to know whether the two organisations have been provided with the foreign exchange necessary for going ahead. Yes, Sir, I hope we will be able to provide them with the necessary foreign exchange and that too in time.

श्री द्वारका दास मंत्री (भीर) : देश में खाद की समस्या और उस की मांग बराबर बढ़ती जा रही है, यह देखते हुए क्या सरकार ने इसका अन्दाज लगाया है

[श्री द्वारका दास मंत्री]

कि देश में खाद की आवश्यकता कितनी है और चतुर्थ पंच वर्षीय योजना को मामने रखते हुए वह कितने प्रतिशत खाद लोगों को मलाई करने वाले हैं ?

Shri Alagesan: The fourth plan targets are that capacity established is 2.4 million tons and production 2 million tons. If there is any shortfall, naturally the gap has to be filled by imports. Just now by our internal production we are not able to meet even half the demand. The balance has to be met by imports and that too by very costly imports.

Shri Hem Barua (Gauhati): In paragraph 3 of the statement, the hon. Minister says:

"It was only in March, 1966 that Government decided to go ahead with the Durgapur and Cochin fertilizer projects finding the foreign exchange from their own resources for the two projects."

It is a very welcome thing. In this connection, may I know if it is a fact that the Union Finance Minister or the Ministry is not making available foreign exchange to the Ministry concerned to the extent needed for marketing the projects in the public sector workable, and that is why the work in Cochin and Durgapur is being held back. Let us be very frank.

Shri Bhagwat Jha Azad: For the future projects also they are not giving.

Shri Alagesan: Without making a complaint against a sister Ministry. I would like to say we would be really happy if timely availability of foreign exchange is made so that we can go ahead with the project and complete it on schedule. There has been some delay, but we are taking it up and I hope it will be solved.

12.57 hrs.

RE. IDDIKKI PROJECT

Shri Vasudevan Nair (Ambalapuzha): Please allow me to make a submission.

श्री मधु लिमये (मुंगेर) : उपाध्यक्ष महोदय, मेरा विशेषाधिकार का प्रस्ताव है, प्रिविलेज मोशन है . . .

Shri Vasudevan Nair: This is the last day of the session, and I am sorry to say that an issue which many of us wanted to raise in this House on the question of the decision of the Government to put off the biggest hydroelectric project in my State, and my State happens to be under President's rule, the Idikkj project, a Rs. 60 crore project, over which nearly a few crores have been spent by Government. . . .

Mr. Deputy-Speaker: That has been disallowed.

Shri Vasudevan Nair: Many of us were giving short notice questions, they have been rejected, calling attention notices, so many, have been rejected.

Mr. Deputy-Speaker: You cannot go on like this.

Shri Vasudevan Nair: I request you. This is the last day, I am trying to convince you. By the time we come next time, a definite decision may be taken on the fate of all these big projects.

Mr. Deputy-Speaker: You want the Government to make a statement .

Shri Vasudevan Nair: Is the Government prepared to make a statement.

श्री मधु लिमये : अध्यक्ष महोदय, विशेषाधिकार का प्रस्ताव है, मेरा प्रिविलेज मोशन है