

12.56 hrs.

STATEMENT RE DECISIONS OF  
GOVERNMENT ON THE RECOM-  
MENDATIONS OF THE HIGH LEVEL  
COMMITTEE ON CEMENT  
INDUSTRY

THE MINISTER OF INDUSTRY (SHRI GEORGE FERNANDES): In view of the importance of the Cement Industry to our developing economy and the need to attain self-sufficiency in this essential commodity within the shortest possible time, Government appointed a High Level Committee in April, 1978 under the chairmanship of the Chairman, Bureau of Industrial Costs and Prices, to undertake a comprehensive review of the Cement Industry in all its aspects, including costs and prices. The Committee submitted its report in December, 1978. The Committee has made several recommendations of far reaching importance for the development of the Cement Industry and it would, therefore, take some more time to finalise the views of the Government on all of them. Having regard to the expiry of the earlier pricing period by March 31, 1979 Government had decided to examine, in the first instance, the more important recommendations relating to pricing and incentives and deal with the other conclusions and recommendations of the Committee in appropriate manner at a later stage. However, I am laying on the Table of the House today a summary of all the recommendations contained in the report of the High Level Committee.

The decisions of the Government on the main recommendations of the Committee on cement prices and incentives are contained in the Government Resolution which also I am placing on the Table of the House today. [Placed in Library. See No. LT-4394/79].

I may briefly mention here the main elements of the new pricing system for the Cement Industry. In the place of the present uniform retention

price, a three-tier system of retention prices at Rs. 185, Rs. 205 and Rs. 220 per tonne respectively for the low-cost, medium-cost and high-cost units as determined by the Committee will be introduced. New Cement units and substantial expansions have already been granted a still higher price of Rs. 296 per tonne from September, 1977. Production units in hilly areas would continue to get additional retention prices as at present. The retention prices would be reviewed annually in the light of cost variations of essential inputs like price of coal, freight on coal, power tariff, stores and spares and wages. It is proposed to continue the subsidy for consumption of furnace oil and for the maintenance of captive power plants on the basis of the rates recommended by the Committee.

As a result of the implementation of the recommendations of the High Level Committee regarding prices and incentives, the uniform F.O.R. destination price is being increased by Rs. 25.68 per tonne i.e., from Rs. 293.26 to Rs. 318.94 per tonne (excluding excise duty and packing charges)

As the House is aware, the announcement by the Government in September, 1977 of 12 per cent post-tax return for new units and substantial expansions has already had a significant impact on new investment in the Cement Industry which had been lagging behind earlier. As against only 7 Letters of Intent and 11 Industrial Licences for a total capacity of 84.6 lakh tonnes issued during the three years 1974-77, as many as 35 Letters of Intent and 7 Industrial Licences for a total capacity of 150.5 lakh tonnes have been issued during the last two years (1977-79). The House is also aware of the substantial concessions announced in January 1979 for the establishment of mini cement plants. As a result of the announcement, 38 schemes for setting up of mini cement

plants with a total capacity of nearly 12 lakh tonnes have already been approved.

I am quite hopeful that with the present announcement of a rationalised price structure and provisions for incentives, there would be an even greater momentum in the establishment of new capacity in the Cement Industry. At present, in spite of a record production of cement, demand has outstripped supply on account of a phenomenal spurt in construction activities in the fields of Agriculture, Power, Industry and Housing. We have had to make good part of the shortage by importing cement at much higher cost. I am sure that with the renewed interest shown in investment in the Cement Industry, we would succeed in doubling our capacity and production within the next five years and reach self-sufficiency in this essential commodity.

MR. SPEAKER: Just one word, so that somebody might not come in the picture....

SHRI SHYAMANANDAN MISHRA (Begusarai): I seek your guidance with regard to a matter which is very much in our minds. Two statements have been made, on economic policy: one was by Mr. Dharia, and another by Mr. Fernandes, the Minister of Industry. What is this House expected to do, apart from hearing these statements? When the Foreign Trade policy for a Year has been laid down by the Government, and it is conveyed to the House, the House has a duty in the matter. The Chair cannot simply say that it cannot do anything, since the Government is not a position to find time. Then we will refuse to listen to the statement made by the hon. Minister.

MR. SPEAKER: We will consider it.

The House now stands adjourned to meet again at 2. P. M.

13.01 hrs.

*The Lok Sabha adjourned, for Lunch till Fourteen of the Clock.*

The Lok Sabha re-assembled after Lunch of Fourteen of the Clock.

ALIGARH MUSLIM UNIVERSITY  
(AMENDMENT) BILL—Contd.

[MR. DEPUTY-SPEAKER in the Chair]

PROF. P. G. MAVALANKAR (Gandhinagar). I rise to lend my support to this important measure which has come in the nature of undoing many wrongs that has been done in the previous parliaments, especially by the amending Acts of 1965 and 1972. I also feel that this Bill could have come much earlier. I know there were certain constraints of time; none-the-less I should have liked this Bill to have been passed earlier than it is going to be now. It also gives me an opportunity to express some of my views on broad issues of university autonomy and university functioning in our country. I also welcome the discussion on this Bill because it affords us the scope for making corrections, and gives me an occasion for seeking some clarifications and also for reiterating some of my convictions, in the brief time at my disposal.

I want to start with a warm tribute to the great patriot, pioneer educationist and visionary Sir Syed Ahmed Khan who in 1973 laid the foundation for the Aligarh Muslim University by his imaginative act of setting up this centre, he had sown the seed so well and so carefully, and he nurtured the plant with care and vision; it has now fruited into a great seat of higher learning and education, that is Aligarh Muslim University. We are happy at that. Let us stress this point that Aligarh Muslim University is an important place of