

[Mr. Deputy Speaker]

Order, please. If the Members have a little patience to listen to the Chair, one sentence would solve the problem.

SHRI H. R. GOKHALE : The topics which have been raised in the debate are large, and I do not want to give the impression that I want to take advantage of the limited time and escape from answering the other points. Therefore, I am entirely in your hands, and I am willing to deal with all the other topics if I get more time.

MR. DEPUTY SPEAKER : Then you can continue on Monday.

SHRI H. R. GOKHALE : Because I do not want to escape from any point.

SHRI S. M. BANERJEE : Sir, just one submission. If the Minister replies on Monday, I will not get a chance to speak. I only want to send this telegram to him, which I have received.

MR. DEPUTY SPEAKER : Order, please. We take up private Members' business.

SHRI S. M. BANERJEE : Sir, I want to lay it on the Table.

MR. DEPUTY SPEAKER : Order, order. Mr. Parashar.

15.30 hrs.

### COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

#### THIRTEENTH REPORT

PROF. NARAIN CHAND PARASHAR  
(Hamirpur) : I beg to move :

"That this House do agree with the Thirteenth Report of the Committee on Private Members' Bills and Resolutions presented to the House on this 3rd May, 1972."

MR. DEPUTY SPEAKER : The question is :

"That this House do agree with the Thirteenth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 3rd May, 1972".

*The motion was adopted*

16.00 hrs.

### RESOLUTION RE : ESTABLISH- MENT OF TWO MORE STEEL PLANTS DURING THE FIFTH FIVE YEAR PLAN—Contd.

MR. DEPUTY SPEAKER : We now take up further discussion of the following Resolution moved by Shri Banamali Patnaik on the 21st April, 1972 :

"This House recommends that the Government of India should take immediate and effective steps to establish two more steel plants during the Fifth Five Year Plan to create increased potentialities in the production of steel and development of iron ore and that the first plan be established in Orissa and the second in Madhya Pradesh for reasons of techno-economic feasibility and comparative backwardness of these areas."

Shri Chintamani Panigrahi was on his legs. He can continue his speech.

SHRI CHINTAMANI PANIGRAHI (Bhubaneswar) : After we have discussed one of the most important sectors of our economy, namely, petroleum and chemicals, it is good we are taking up the question of having new steel plants in Orissa and M. P. in the coming years. The battle that we are fighting today in our country is the battle to wipe out poverty and unemployment in this country and our struggle for self-reliance is part of the bigger struggle that we have launched. In this struggle to achieve self-reliance, it is steel which plays the most

prominent part in the seventies...*(Interruptions.)*

16.01 hrs.

[SHRI K. N. TIWARY in the Chair]

**PROF MADHU DANDAVATE :** Self reliance now means, every one has to rely on the Prime Minister.

**SHRI CHINTAMANI PANIGRAHI :** No, I am sorry that is not the meaning of self-reliance.

I feel that there must be urgency at all levels for increasing the existing capacities of steel production in the country and also adding new capacities so that we catch up with the demand for steel which will be about 37 million tonnes by the year 1980-81. The steel programme in the Fourth Plan has as its aim: increased production in the existing plants, implementation and expansion of the continuing projects and establishment of new steel plants.

With a view to implement three formulations of the Fourth Plan, they have a steel programme. The report of the Steel Ministry says that the expected consumption patterns of the future have indicated the need to double our steel manufacturing capacity during the seventies. It says further, as it takes 7 to 8 years to commission large integrated steel works after the sites are selected, action has been initiated on 'location studies' for new projects to be considered for inclusion in the Fifth and Sixth plans, as well as on the expansions which may be possible at the existing locations. Preliminary work on location studies for new steel plants to be included in the future plans have also commenced.

I draw the attention of the hon. Minister to this; he should be a little attentive to what goes on here.

**THE MINISTER OF STEEL AND MINES (SHRI S. MOHAN KUMAR MANGALAM) :** I am listening.

**SHRI CHINTAMANI PANIGRAHI :** I was quoting the report of the Steel Ministry which says that they have started work and

initiated location studies for new steel plants which will be included in the future plans. I should like to know from the hon. Minister if they have also initiated action so far as location studies of future steel plants in Orissa, M. P., Goa and may be in other places are concerned.

They must have a blueprint for the coming ten years. I say that the seventies are the decade of steel. Therefore, there should be a blueprint for the coming ten years. How do we want to expand the existing capacities in the plants that are there and how shall we have additional capacities that we want to create by having new plants. I do not know whether the Government has prepared a blueprint accordingly.

It is surprising to find that in 1968-69 we have produced only 4.7 million tonnes of steel. See the capacity for increased production in the existing plants. In 1969-70 the production was 4.8 million tonnes.

Sir, I was putting to this House about the existing capacities. Whatever the existing capacity—about 9 million tons of capacity—that we have in the existing steel plants, we are producing only 5.8 million tons. Now, Sir, the existing steel plant's capacity is not fully utilised. Therefore, the Government should draw up a plan to see that we, at least, achieve the rated capacity of 9 million tons in the steel in the existing steel plants and then expand. The Hon'ble Minister was suggesting that. Well, we have the programme to expand the Rourkela Steel Plant. Sir, that was suggested by Steering Committee as late as 1963. We had recommended that the Rourkela steel plant should be expanded and it may produce two to four million tons. Therefore, besides the point that Rourkela should be expanded, the question is that in Orissa itself there are deposits of 8,000 million tons of iron-ore, and 300 million tons of reserves of limestone and almost it has 2/3rds of the total mineral resources of the country today. Therefore, when in the entire country today the per capita consumption of steel is only 11 kilograms and India's production is only 1% of the world production of steel, there is a vast scope to have more and more steel plants and in view of 8,000 million tons of proved iron-ore reserves in Orissa and 300

[Shri Chintamani Panigrahi]

million tons of reserves of lime-stone, and other minerals, like, Manganese, dolomite, etc., I hope there is need not only for one steel plant, but there is need for more than even three steel plants in Orissa in the coming years.

I may say that the total investment of the Government of Orissa in steel amounts to Rs. 1,876 crores including the public and private sectors and perhaps they are going to have three new steel plants to cost them another Rs. 1,800 crores, which would, altogether come to about Rs. 3,700 crores. But, Sir, I hope, as the Hon'ble Minister was suggesting yesterday, the Government is thinking of a holding company. I appreciate this idea. Therefore, I must support the Hon'ble Minister that he has the capital base of Rs. 5,000 crores and he has decided to invest more money during the coming ten years and he has planned out the steel programme in such a manner that by 1980, the country should have production of 47 million tons of steel. If that is the programme of the Hon'ble Minister, he must spend, besides this Rs. 3,700 crores at least, another Rs. 5,000 crores so that he can include the private and public sector agencies together and start production here from today onwards. Suppose the locational studies for the new steel plant takes time, you have infra-structure ready in Rourkela, everything is ready in Rourkela, and you can immediately go in for the second steel plant there. Besides expanding this, you can have locational studies in other areas, i. e., Bonai, Nayaghat, Paradeep, Goa and Madhya Pradesh. Sir, you must have a well laid programme for the coming ten years so that by 1980, you fulfil the targets.

Lastly, I must put before the Hon'ble Minister the question of the dispersal of steel industries. You know, Sir, Bihar, Orissa, Madhya Pradesh and Bengal provide the metallurgical base for the future steel complexes to develop and whatever the dispersal has taken place, the Hon'ble Minister has pointed out how difficult it is to carry the ore, to transport the ore from Bhilai region to the Bailadila region, and how costly it has become. But, Sir, it was necessary because ultimately we needed steel plants in Southern regions and

that kind of dispersal was necessary. But, Sir, for future development of steel industry, it is very much incumbent on the Government to see that this Bihar, Bengal, Madhya Pradesh and Orissa base which provide the only Metallurgical base for having new steel industries, steel mills, they provide all the facilities at the cheapest rates and that the Government should go ahead with this programme.

I hope, the demand for steel plants in Orissa is not only one, but more than one and I hope in view of all the promises that the Government has made, and our Minister who wants to push ahead with this new steel plants programme, we can hope from him that he will while replying to this debate, concede to the demand and aspirations of the people of Orissa for future new steel plants. I hope he is going to meet it, in view of the assurances that he has given in the Fourth Lok Sabha. I am sure, when we go back, we can tell our people in Orissa that here is a Minister, Mr. Mohan Kumar-aramanglam, who has understood the aspirations of the people of Orissa and he has felt that the needs of Orissa are greater today than they were before. I hope, Sir, during his stewardship, action for locational studies for new steel plants will start.

SHRI J. B. PATNAIK (Cuttack) : Sir, in pleading my case for a second steel plant in Orissa, I do not think I am going to present any new facts or statistics that are not known to the minister. But there is a proverb that the Ganga is always worshipped by Ganga water. So, I am only presenting facts and statistics known to him.

Let me be clear on a few points. Firstly, various expert committees and persons eminently qualified in this field have recommended ideal locational sites so far as Orissa is concerned. Secondly, persons in high governmental authority have expressed their sympathy and support for Orissa's demand from time to time. Thirdly, the question had been discussed in this House and in Rajya Sabha from time to time and all sections of both Houses have unanimously supported Orissa's demand for a second steel plant. Fourthly, the Government is

committed to undertake location studies for more steel plants during the fourth plan period, in which Orissa sites would be necessarily taken into consideration. The purpose of this resolution, therefore, is to emphasise the urgency of the locating new steel plants as three years of the fourth plan have already elapsed and production of steel is grossly inadequate to meet our domestic and external markets by the end of the fourth plan period and the fifth plan period.

Let me first come to the expert opinion. Since independence, this opinion is in favour of Orissa's ideal locational advantage. As far back as 1948, Copper Incorporated, U. S. A., Arthur G. Meke Inc. U. S. A. and International Construction Company U. K., while giving their recommendations on location of steel plants in this country, said that locational advantage in Orissa was the highest. It was, of course, long ago. But mineral wealth does not change in a few decades and Orissa commands still an unassailable position so far as mineral ores are concerned.

I now come to M. M. Dastur & Company, whom the Government of India holds in high esteem. They have advised the government on three occasions on ideal location sites in Orissa. In preparing a preliminary report on Bokaro they recommended that there should be a steel plant in Talcher. In 1964 this company was appointed to prepare a feasibility report for blast furnace complexes in different areas of the country. The term of reference was :

"To recommend sites in the order of priority with reference to the cost of raw materials, assembly, production and distribution."

In 1965 this Company while submitting its report recommended, as per Chapter 13, Volume IV, thus :

"Of the 28 locations studied Nayagarh has the lowest production cost of pig iron to meet the all-India shortfall."

Again they said :

"The Nayagarh location can in future sustain a large steel complex of 10 to 12 million tonnes."

After scrutinising all the conditions like raw materials, assembly, electricity, water, land etc. they came to this conclusion.

Coming to the cost they said the cost of production of pig iron at Nayagarh per tonne would be Rs. 207 as against Rs. 211 to 250 in all other sites studied by them.

Regarding transport charges they said pig iron produced at Nayagarh would cost Rs. 231 per tonne at Calcutta, Rs. 263 at Madras, Rs. 266 at Bombay and Rs. 269 at Chandigarh. So, the steel produced here would be cheaper in the whole of the country than the steel produced at other sites.

In 1970 M. N. Dastur & Company was appointed by the Government of Orissa to prepare a feasibility report in regard to three sites in Orissa, two inland and one coastal. They have recently submitted their report and have again recommended Nayagarh as the most economic. In their report they have said :

"In terms of material cost, the cost of material, power, water and other expenses in connection with works cost of products of various sites, Nayagarh North site is the most economic in Orissa and very favourably placed compared to other plants in the country"

Working out the comparative works cost, the Company says that :

"It would be Rs. 354 per ingot tonne at Nayagarh, Rs. 363 at Bhilai, Rs. 374 at Rourkela, Rs. 413 at TISCO and Rs. 450 at Durgapur."

Now I come to the opinions of eminent persons in authority. In 1964 Dr. Khosla, who was the Governor of Orissa, an eminent engineer himself, submitted a memorandum to the Central Government for ideal location sites of steel plants in Orissa. I am not going into the details of his memorandum.

On 4th July 1970, no less a person than the Rashtrapati of India, Shri V. V. Giri, supported the demand for a large-scale steel plant when a State Cabinet deputation met him at Bhubaneswar. The next day at a press

[Shri J. B. Patnaik]

conference he reiterated his support hundred per cent to Orissa's demand.

Again, in July 1970 the Prime Minister told three Members of Parliament from Orissa that after Rourkela reached full capacity she would have no objection for a second steel plant in Orissa. In January 1971 in public meeting at Bhubaneswar she reiterated her view that Orissa had a case for a new steel plant.

Regarding the support from all sections of both Houses of Parliament, I need not narrate them as it has been already narrated in this House in great detail, especially by my hon. friend, Shri Panigrahi.

I now emphasise the urgency for creating more potential of steel production in the country. Our own need in long term plan perspective has been revised downward from time to time. The National Council of Applied Economic Research recommended in 1963 that the country should aim at producing 50 million tonnes of steel ingots by 1981, taking into consideration its expanding domestic and external markets. This was whittled down to 20 million tonnes by the planners of our Fourth Five Year Plan. We are now far from it and struggling for the last five years in the region of 6 to 7 million tonnes. This staggering inertia is really unprecedented in the history of steel production in the world.

Now even if we reach our full utilisation capacity and expanded capacity of our steel plants, we still do not look beyond 1981. According to M/s. Dastur & Company we shall be short of 5 to 6 million tonnes of steel by 1985 if we do not go in for more new steel plants. The country needs more steel and Orissa has ideal location sides and has gone ahead with a techno-feasibility report which is available to the hon. Minister. It is now for the Minister to let us know the Government's mind and their decision. It is not prepared to undertake further location studies now? If not, when will he do it? Certainly not after the end of the Fourth Five Year Plan. When a feasibility study is available, so far as Orissa is concerned by the highest expert firm in the

country, what prevents him from making a commitment on this basis? I hope, the hon. Minister will not reply in the way in which his predecessor, Mr. B. R. Bhagat, replied in "Alice in Wonderland" fashion, that he had a plethora of good sites among which he had lost himself to make up his mind.

With these words, I support the Resolution.

**SHRI D. K. PANDA (Bhanjanagar) :**  
Mr. Chairman, Sir, because my hon friends on the Treasury Benches have already given overwhelming support to the demand for establishment of steel plant in Orissa, I feel, it is needless to burden the hon. Minister, Shri S. Mohan Kumaramangalam, with the same facts which he is in possession of. The facts have already been placed by my hon. friend, Shri Panigrahi and other Members in regard to that. So, I will not over-burden him with the same facts.

One thing is certain that whatever things are required for the establishment of a steel plant in Orissa are present there. So, my request to the hon. Minister will be to look at this demand of Orissa people from the national angle and, at the same time, it should not be brushed aside, treating it as a local demand.

On 27-7-70, there was a *bandh* organised in Orissa. The people of Orissa organised a *bandh* and they started their militant struggle to achieve this legitimate demand. About 2 lakhs of people signed a petition which was presented here and that question was also raised here. It was referred to the Petitions Committee. The Petitions Committee recommended the following :

"The Committee hope that in view of the general support given to the demand for a new steel plant for Orissa in both Houses of Parliament, the Government will consider the place of Orissa for second plant and implement the assurances given by the Ministry of Steel and Heavy Engineering in Parliament as early as possible."

As it has already been referred to, some more machinery and the processing of site-

selection will be taken up during the Fourth Plan, and our friends, Shri Panigrahi, Shri Patnaik and others have already said and quoted the commitment given by the then Minister of Steel, Shri B. R. Bhagat. As far as the Petition Committee's recommendation is concerned, its recommendation is to be respected. To respect the Petition Committee's recommendation means to give respect to 2 lakhs of people of Orissa who have the petition. To respect its opinion means to give respect to the public opinion of Orissa and the national aspirations of the people in India.

Apart from all other things, we have to meet the shortage of steel. We have to overcome the shortage only by expansion of the existing steel industry and also by starting new steel plants. As far as the new steel plants are concerned, even the Estimates Committee has recommended that we should proceed with the starting of new steel plants. So, as a matter of fact, there is absolutely no obstacle in our way now. The hon. Minister must have been convinced by now not only because of the pressure but because of the economic aspirations of the people of the Orissa and also the political aspirations of the people of Orissa. As far as the aspirations of the people of Orissa are concerned, it is well known that, when there was industrial revolution in England, that also helped the process of elimination of feudalism; even though the feudal lords were there, they were sitting as on lookers and they were powerless. As far as we are concerned, we know that, once the new steel plant is established, definitely the blast furnace will burn the relics of feudalism and those very feudal forces who are always taking advantage of non-establishment of steel plant and are ruling Orissa. We can get rid of all those troubles and reactionaries. Therefore, the political aspirations also have to be recognised and appreciated and must also be respected by establishing a second steel plant in Orissa. In Orissa, I can say, not only the people have started a militant struggle but it is the Rajas and Ranas who have lived up in the bundh. Therefore, there are justifications for establishing the steel plant. I would request the hon. Minister, Shri Mohan Kumarmangalam, to take a serious

note of all these developments and see that the Members of Orissa here and also of Madhya Pradesh do not raise the same question again in the Lok Sabha. It has also been stated in many reports that steel plants will not only take the country forward towards economic advancement but also take the people forward politically on the path of progress.

In view of all these things, in view of the commitment of the Government, with a view to eliminating the regional imbalances, I hope the hon. Minister will definitely come forward to satisfy the aspirations of the people of Orissa by establishing a second steel plant in Orissa.

\*DR. SARADISH ROY (Bolgpur) : Sir, I will speak in Bengali. The resolution before us suggests the setting up of two more steel plants in Orissa and Madhya Pradesh on the basis of techno-economic feasibility and comparative backwardness of the area. The production of steel in our country is far below our production capacity. At the time of our independence the production of steel in China was less than that produced by us. But today there production of steel is three to four times more than that is being produced by us. There is shortage of steel in our country which hinders developmental works.

Sir, I want to ask why such demands for opening new steel mills at particular places arise today at a time when the Fourth Five Year Plan is in the last stage of implementation. The reason for such demands is the defective economic policy of our Government which has resulted in imbalance in the economic and industrial development of the various regions of our country. That is why such demands for setting up new steel mills or shifting of mills and plants and even officials from one place to another arise from time to time. As a result of the defective planning some States are progressing and some others are compelled to fall back. There is pressing unemployment which is becoming more acute day by day. That gives rise to demands for opening new steel plants at particular regions. But unfortu-

\*The original speech was delivered in Bengali.

[Dr. Saradish Roy]

nately such demands are viewed by the Centre from the political angle. Sometimes demands from Andhra Pradesh for a steel plant in that State are acceded-to to please that State. The same thing is repeated in the case of Mysore or Tamil Nadu. Although those demands have not yet been implemented according to plan. When we, the Communist Party (Marxist) stated that there is economic imbalance in the country and some States are becoming backward due to defective planning of the Government, we were criticised. Few days back the Labour Minister of West Bengal held a Press Conference in the Capital where he admitted that : I am quoting from the press report, "Employment in his State had declined in the past few years. As far as the overall industrial employment was concerned, this had come down from 913,000 in 1965 to 823,000 in 1969. Whereas during the same period, similar employment in Maharashtra had risen from 956,000 to 978,000." The reason for this situation in West Bengal, as stated by him was "There was no uniform pricing policy for the supply of industrial raw materials. While coal from West Bengal was sold all over the country at a uniform price, the textile industry in the State had to pay a comparatively higher price for raw cotton compared with mills in Western India." The crux of the statement is that some regions are suffering and becoming backward due to the defective policy of the Government. The Prime Minister while speaking in West Bengal at the time of the election meetings said that if the Congress wins the elections in West Bengal...*(Interruptions)*.

MR. CHAIRMAN : Please confine yourself to the subject under discussion.

DR. SARADISH ROY : Yes Sir, I am doing that. The Prime Minister said that if the people of West Bengal voted for her party she will spend 135 crores of rupees for the development of the State. This sort of politics was indulged in by them.

I will say one more thing Sir, that in the existing steel plants like Durgapur in West Bengal which are under the Centre's management and control, many instances of irregularities and mismanagement have come to

light. It has been stated that there is top heavy administration. There were previously 34 high officials there but now that number has gone up to 54. The Government has created such conditions in that plant that there is not only discontentment among the workers, the officers are also discontented and dissatisfied. There is dissatisfaction among all the categories of employees and this is hampering efficient production in that plant. This sort of situation should be remedied forthwith. I support this resolution and with that Sir, I conclude my speech.

SHRI SHYAM SUNDAR MOHAPATRA (Balasore) : The second steel plant question has become almost the lifeline for the people of Orissa.

It is having great impact on the people of Orissa. Some of the candidates in the election have won on this issue; some of the candidates in the election have lost on this issue.

Orissa is the most backward State in the whole country. 55 per cent of the people are in the semi-starvation condition. If there is a second steel plant, I should confess, a great number of people will get employment. It will give a shape to the regeneration of the economy of Orissa.

Hon. friends have spoken about the statistical data. I don't think it is necessary for me to parrot them once again. The three States in South India are fortunate to have three steel plants. When the decision was taken and construction started, there was a commentary written by an expert which I will quote.

"But one question is already exercising the expert circles. Will these 3 plants involving a total outlay of over Rs. 2000 crores be worth the cost? A steel plant of this size takes about 6 years to be commissioned. Even then, 4 more years may elapse before the installed capacity is fully utilised. In other words by starting to invest Rs. 2000 crores say in 1972; India cannot hope to get the full benefit from that investment before 1982.

Some hon. friends spoke about the three steel plants in the South. I has been said that in Dastur and Company Government have got great reliance. In the Consultative Committee when this question was raised even the Ministers reposed confidence in them.

**MR. CHAIRMAN:** You should not refer to whatever happens in the Consultative Committee.

**SHRI SHYAM SUNDAR MOHAPATRA:** I would like to bring to your notice that we are having a shortfall in steel production. A steel expert has written about it as follows:

"If the growth rate of 5 to 6 per cent is to be assumed for the economy as a whole the production of steel would have to be increased at the rate of 10 per cent per year."

The Mover of the Resolution said that Pandit Jawaharlal Nehru said that the progress of the country can be determined by seeing the progress of the women and by seeing the progress of steel. As far as women is concerned, India is very fortunate to have one of the greatest Prime Ministers of the world in a woman. In steel production we are lagging behind. If Orissa has a steel plant for which there is abundant raw material it will solve various economic problems. In the Niagarh and Bonai area the iron ore content is 60 per cent. Even Japanese experts have admitted that Orissa ore is by far the best.

So far as infra-structure is concerned, I have to submit that we have all the perquisites available.

I will bring to your notice another factor that we will have to step up our steel capacity from 9.0 million tonnes in 1968-1969 to 12.0 million tonnes ingots by 1973-74. The Minister is giving a new look after he has assumed office. Let in the Fifth Five-Year Plan a new look be given for having another steel plant in Orissa.

In conclusion I would like to say, if at all there is a steel plant in Orissa, I should expect that the General Manager, whoever is the boss of this steel plant, must be from Orissa. Since Shri S. N. Majumdar has taken over in HSL, it is Dr. Agarwal who is in charge in the Rourkela plant. Orissa has not been fortunate enough to have a man from Orissa in charge of that plant, although there are many qualified persons from Orissa. I admit that Dr. Agarwal is a very competent man. But I would like to bring to the notice of the hon. Minister that while having such top men, he should also see that Orissa's case is given high priority.

**\*SHRI M. S. SIVASAMY (Tiruchendur):** Hon. Mr. Chairman, Sir, supporting the Resolution moved by Shri Banamali Patnaik regarding the necessity for establishing the second steel plant in Orissa and in Madhya Pradesh, I would like to say a few words.

Sir, anticipating the demand for steel in the country in 1980, the Government fixed a target of production of 40 million tonnes of steel per year. Later on, as it was felt, after a re-examination of the target fixed for 1980, that production of 40 million tonnes was impossible of achievement, the Government reduced it to 20 million tonnes. When I look at the way the Government are functioning I get the doubt whether even this reduced target of 20 million tonnes will be achieved by the end of 1980. The Government themselves have expressed the view that the commissioning of steel plants at Salem, Vizianagaram and Vishakhapatnam will take 8 to 10 years. But all the time the Government are proclaiming from house-tops that energetic endeavours are being made to lessen the rigours of unemployment in the country.

**MR. CHAIRMAN:** The discussion is on a Resolution regarding the establishment of a steel plant in Orissa. But the hon. Member has started a general discussion. Let him confine himself to the subject-matter of the Resolution only.

**SHRI M. S. SIVASAMY:** The Government have set up a working Group to study

\*The original speech was delivered in Tamil.

[Shri M. S. Sivasamy]

the long-term planning of steel production in the country. Here, I would like to point out that the paid-up share capital of Government companies numbering 332 is Rs. 2092 crores. The paid-up capital of private limited companies comes to Rs. 2085 crores. The Bureau of Public Enterprises has been entrusted with the duty of analysing the cost structure of public enterprises. It is strange that there is no representative of the Bureau of Public Enterprises on the Working Group which has been set up to study the long-term planning of steel production in the country.

While emphasising the need for creating additional production capacity for steel in the country, I would like to stress that the steel projects which have already been taken up must be expedited if the Government want to achieve the targeted production. Our hon. Minister of steel, Shri Mohan Kumaramangalam, hails from Salem.

MR. CHAIRMAN: Again, the hon. Member has left out Orissa and he has gone to Salem.

SHRI M. S. SIVASAMY: I am coming to the point. If he expedites the implementation of Salem Steel Project alone, he might be misunderstood. I would request him that all the three plants at Salem, Vizianagaram and Visakhapatnam should be completed quickly in order to meet the everincreasing need for steel in the country.

When the Government talk so much about establishing a socialistic society in the country, when the Government announce every alternate day that they would nationalise this industry and that industry it should also be ensured that new steel plants in Orissa and in Madhya Pradesh are set up to achieve the target of production of 20 million tonnes by 1980.

On behalf of my party, the Dravida Munnetra Kazhagam, I support the demand for a second steel plant in Orissa and also in Madhya Pradesh.

SHRI SURENDRA MOHANTY (Kendrapara): The justifications, both

technological and economic, for a new steel plant in Orissa are so well-established and so incontrovertible that I need not repeat them. Parliament's commitment and the assurance of the previous incumbent of the steel Ministry which have aptly recapitulated here are also well known. I need not traverse that ground again.

I am inclined to believe that had not the issue of a new steel plant during the Fourth Plan been caught in the vortex of electoral politics and decided more on political and electoral considerations than on economic and technological, Orissa would surely have had a new steel plant during the Fourth Plan period. However, that story is also too well known and needs no repetition because it is not going to help this way or that.

Now the Resolution moved by Shri Patnaik urges upon the Government of India to take immediate and effective steps for setting up two more steel plants, the first in Orissa and the second in Madhya Pradesh during the Fifth Plan period. I have moved an amendment proposing to take into account the report of Dastur and Co., the technical consultants of the Steel Ministry, recently submitted by the Government of Orissa to the Steel Minister. As I had emphasised during the debate on the Demands of the Steel Ministry, notwithstanding our massive efforts for increased steel production, our manufacture and per capita availability are the lowest in the world. This needs a kind of macro-planning to see that at least we catch up with the other steel-producing countries though not in the west at least in the east. I am talking of Japan.

In the context of growth in production of steel and planning for larger projection of targets, a desideratum with which I hope the hon. Minister does not disagree, I am sure nobody will be more new than the Steel Minister to realise that a country where production of steel is almost at the lowest rung and which has to compete with other countries, we have to make up a big leeway. This may be appreciated from the fact that in 1948 we were on par with Japan in steel production. We were producing 4.7 million

tonnes of steel whereas Japan was producing 1.3 million tonnes. In 1971 Japan produced 93 million tonnes whereas we are fumbling at a mere 63 million tonnes. Therefore, immediate increase in production is a must a *sine qua non* of our progress. It is in this context that we have to consider the demand for a new steel plant in Orissa.

The projected domestic demand by 1983-84, at the end of the Sixth Plan, is likely to be 18 million tonnes of finished steel or 27 million tonnes of ingot steel. With the completion of the new steel plants at Vizag, Salem and Hospet and the expansion schemes of Bokaro, Bhilai and TISCO at the end of the Fifth Plan, we will have a capacity of 18.7 million tonnes of ingot steel at the end of the Fifth Plan. Therefore, there is a gap of 8.9 million tonnes to be bridged by the end of the Sixth Plan.

The Resolution seeks to invite Government's attention to this aspect and suggests that nowhere can the first new steel mill be better located from the point of view of economic operation than in Orissa. In Dastour's report, already in the hands of the Minister, he will find a comparative statement of costs which shows that the cost per ingot tonne in Orissa will be the lowest. In Nayagarh, the site proposed by Dastour, it will be Rs. 354 whereas in Bhilai it is Rs. 363, in Rourkela Rs. 374 and in the open hearth at Rourkela Rs. 459. In Durgapur it will be 450 tonnes; in TISCO it will be 413; in IISCO it will be 446; and in Visakhapatnam, 431. From this, and from other considerations, it will be seen that Orissa deserves a second steel plant not only to satisfy its own political or parochial urges but to meet a national demand for increased steel at a low cost. And since our desideratum is to have more production at a lower cost, I think the hon. Minister will not, when he rises to speak, oppose this innocuous resolution. After all, what is it that we seek. The resolution seeks that immediate and effective steps should be taken, and I do not think there is anything to which he would object, and I hope he would accept this resolution as amended.

बी आर० बी० बड़े (खरगोन) : सभापति महोदय, मैं इस प्रस्ताव का समर्थन करता हूँ, क्योंकि इसमें उड़ीसा और मध्य प्रदेश में स्टील

के कारखाने खोलने के लिए कहा गया है। लेकिन इस प्रस्ताव में कहा गया है : "एक कारखाना उड़ीसा में और दूसरा मध्य प्रदेश में।" इसका मतलब यह है कि पहले उड़ीसा में स्टील का कारखाना लगाया जाये और फिर मध्य प्रदेश में। मैं समझता हूँ कि ये दोनों कारखाने साथ साथ लगाये जाने चाहिये।

मध्य प्रदेश में आयरन ओर के चौदह डिपॉजिट्स हैं। वहाँ का मारा आयरन ओर विशाखापत्तनम से जापान भेज दिया जाता है। निसर्ग ने बस्तर जिले में वैलाडीला में आयरन ओर का पूरा पहाड़ हमें दिया है। एक जियालिजिस्ट ने मुझे बताया कि जब संसार में कोई फ्लोरा या फाना, वनस्पति, नहीं थी, तो आयरन ओर, जो कि बिल्कुल हल्का मैटल था, जमीन के ऊपर आ गया। जब हमारे आयरन ओर से जापान ने अपना स्टील का उत्पादन इतना बढ़ा लिया है, तो क्या हम नहीं बढ़ा सकते हैं। इस समय हमारे देश में 6 मिलियन टन स्टील उत्पन्न होता है और हमारा लक्ष्य 18 मिलियन टन स्टील उत्पन्न करना है। जब तक उड़ीसा और मध्य प्रदेश में दो स्टील के कारखाने नहीं खोले जाते हैं, तब तक इस कमी का पूर्ति नहीं हो सकती है।

मध्य प्रदेश में बस्तर के पास भिलाई में स्टील का कारखाना है, जिसे को स्थापित करने में रसा ने हमारी मदद की है। बस्तर जिले में आदिवासी बसे हुए हैं और वह क्षेत्र डेवलपमेंट नहीं है। मंत्री महोदय कहेंगे कि वहाँ रेलवे नहीं है विशाखापत्तनम से अगदलपुर तक रेलवे लाइन आ गई है, जो कि बस्तर के पास है।

इस लिए मध्य प्रदेश में एक स्टील कारखाना खोला जाये ताकि मध्य प्रदेश की उन्नति हो।

SHRIMATI T. LAKSHMIKANTHAMMA (Khammam) : Mr. Chairman, Sir, the three wars that we fought with our neighbour have proved that we are right in our economic policies. On this very floor of the House we used to see some Members pleading, and luckily those Members have not been sent back to this Parliament. We used to hear Mr. Minoo Masani always saying

[Shrimati T. Lakshmikanthamma]

that these big steel plants in the public sector are not good and we should import machinery from other countries. How dangerous it would have been if we heeded their advice and how bankrupt their policies are? Today, the people are in a position to judge. So also there were some advocates or sympathisers of their policies within our party, and it came up at Faridabad where an open attack was made on the public sector undertakings.

MR. CHAIRMAN : Devote more time on what you actually want to say. Time is short.

SHRIMATI T. LAKSHMIKANTHAMMA : It is now proved how necessary it is to have a self-reliant economy, with a background like this, where America has refused to supply us certain things or requirements of our country for the progress and prosperity of our country at a critical juncture.

In that background, we should have more steel plants and we should become more and more self-reliant in steel production. Who do we want more steel plants? Why does the world want more steel? For progress and prosperity. That is the advantage in having more steel plants, especially in a State like Orissa which is backward both economically and politically (*Interruptions*) & M. P. which is not politically backward.

Orissa has good iron ore deposits; M. P. has coal deposits. Government should think seriously of establishing two steel plants. Apart from these, I was asking for a Plant at Kothagudem where we have iron ore which contains 60 per cent iron. Even earlier there were proposals to give it preference over Visakhapatnam. Round about Kothagudem there is bituminous coal, large deposits. Near Kothagudem there are the Singareni collieries; there is water and electricity available, along with limestone. Along with these two steel plants, the hon. Minister should also consider an additional steel plant at Kothagudem.

Some hon. Members mentioned about the cheap way in which steel is produced in Japan. The hon. Minister answered a question about Bharati process and said it

was not practicable. Why? We went through some of the papers connected with it; though we are not technical people, it appears that it is feasible. It is because of a different process in the existing steel plants? When it was tried in West Germany, it was found feasible: they say so. Steel can be produced at cheap rates. I request the hon. Minister to rethink about the whole process and give second consideration to it.

श्री सतपाल कपूर (पटियाला) : सभापति महोदय, हम डिमांड को तो सपोर्ट करते हैं कि उड़ीसा में स्टील प्लांट लगे और मध्य प्रदेश में भी लगे क्योंकि रा मैटीरियल वहाँ अबेलेवल है। लेकिन प्रावलम यह है कि उड़ीसा गवर्नमेंट इस सिलसिले में हमारा रुककेला का जो प्लांट आलरेडी लगा हुआ है उसको चलाने में उसको कामयाब कराने में किस हद तक सहयोग देती है? रुककेला प्लांट में जो गड़बड़ हो उसमें स्टेट गवर्नमेंट जा कर अपनी दखल दे और साथ साथ उसमें नान-कोआपरेशन दे, वहाँ पर कोई चीज चोरी हो जाय तो सरकार की तरफ से उसकी प्रोटेक्शन की जाय, वह इसलिए कि चीफ मिनिस्टर की अपनी कांस्टीट्यूएंसी वहाँ है, वह वहाँ से जीत कर आए हैं, इसलिए वहाँ हर किस्म की गड़बड़ी को एलाऊ किया जाय, यह ठीक नहीं है। सेंट्र से तो हमारे एम० पीज० ने डिमांड रखी है, वह ठीक है। लेकिन इस तरह से एक प्लांट वहाँ और लगाया जाय जबकि पहले जो प्लांट लगा हुआ है उसमें पूरी तरह वहाँ की गवर्नमेंट कोआपरेशन न दे तो उससे आदमी का हासला पूरी तरह बनता नहीं है कि वहाँ दूसरा प्लांट लगाए। इस लिए मैं इस डिमांड के खिलाफ नहीं हूँ, लेकिन हमारे जिन साथियों ने इस रेजोल्यूशन को भुल किया है, उड़ीसा गवर्नमेंट जितनी गैर-जिम्मेदार है, क्या उसके बारे में कोई यकीन दिला सकता है कि वह प्लांट लगाने में और पहले से जो प्लांट वहाँ पर लगा हुआ है उसको सम्बन्धित बनाने में प्रापर कोआपरेशन देगी?

बस इतना ही मैं कहना चाहता था।

17 hrs.

**SHRI M. RAM GOPAL REDDY** (Nizamabad) : Sir, I strongly support this resolution not because they are my neighbour States but because they deserve it. In Orissa the land-man ratio is very less compared to other States. Orissa people are poor not because of any fault of theirs. This is on account of the circumstances that prevailed in the pre-independence days. All Rajas and Maharajas who were there never cared for the poor people; they cared only for themselves. That is why this demand has come from our leading, respected MPs. We should first sanction the steel plant for Orissa and then for Madhya Pradesh, because the land-man ratio is very less in Orissa compared to Madhya Pradesh. Moreover, all facilities required for a steel plant are there and they must be exploited.

In the meanwhile, I request the minister to stop the export of iron ore to Japan or any other country, because this is *dharma nidhi* and we have to hand over this to our coming generations. We should not exhaust everything in our own time; making hay while the sun shines. Mr. Sat Pal Kapur said that the fact that the State Government is not cooperating properly in the running of the steel plant should not come in the way. Tomorrow a very efficient government may come there and it will give full protection for such factories. Therefore, I strongly recommend that during his tenure, before the next general election, Mr. Kumaramangalam should lay the foundation-stone and see that the aspirations of the people are fulfilled.

My friend from the communist party said, they have presented a petition signed by 2 lakhs of people. That should not be taken into account. If that is the basis, tomorrow 20 lakhs of people will put in a petition from some other place and it will become very difficult. Mr. Panigrahi has given all facts and figures. I do not know whether he is an expert or not, but he is better qualified to be in the consultative committee, so that he may give good advice to Government.

**SHRI CHAPALENDU BHATTACHARYYA** (Giridih) : Sir, the steel plant should be located in Orissa not because the

dreams of solving their unemployment are going to be realised because they will not be realised by a mere steel plant, not because it will give Orissa some sort of a status symbol, not because two lakhs of persons demonstrated in its favour—tomorrow 5 lakhs of persons may demonstrate in favour of a steel plant in some other State—but on merits and on the basis of techno-economic survey and comparative cost. The Minister has to have a hard look at it.

The point which I would like to make, and which I could not make yesterday, is that all the time in perspective planning we are thinking more and more of steel, 60 million tonnes by the end of the century. The limit is set by our internal market and, more specifically, by the availability of metallurgical and coking coal. That picture is far from reassuring. When our friend, Shri Reddy, says that we have to ban all export of iron ore, I would like to point out the other side of the picture, about the relative shortage of coking coal. Even making allowance for improved technology, when less coking coal would be required for manufacturing every tonne of steel, I doubt whether even for supporting 65 million tonnes we have coking coal reserves which will go up to 50 to 60 years. Therefore, we have to think of alternatives. I certainly associate myself with the demand from my colleagues from Orissa.

**THE MINISTER OF STEEL AND MINES (SHRI S. MOHAN KUMARAMANGALAM)** : Mr. Chairman, Sir, I first of all thank all the hon. Members who participated in the discussion on this resolution and, if I may say so with great respect, they spoke with considerably more knowledge of the subject than I probably have. But I think it is also necessary that we should look at this matter in as objective a spirit and manner as we can, uninfluenced if I may use the expression, by political considerations and looking at it from the viewpoint of the country as a whole of the optimum use of our economic resources.

As hon. Members know, the present installed capacity is 8.9 million ingot tonnes of steel. Bhilai has got a capacity of 2.5 million tonnes, Rourkela 1.8 million tonnes, Durgapur 1.6 million tonnes, Tata 2 million

[Shri Mohan Kumaramangalam]

and Indian Iron 1 million, making a total of 8.9 million tonnes. There are, of course, some difficulties in some of the plants, but let us take it for the moment that we should be able to get over the difficulties in a reasonable time and may reach somewhere near a reasonable level of production which may be between 8 and 8 million tonnes.

With the completion of the schemes included in the Fourth Plan steel development programme, this capacity should go up to 18.7 million ingot tonnes by the end of the Fifth Plan. This takes within its ambit the capacity of the two new steel plants to be set up at Visakhapatnam and Vijayanagar of two million ingots each, expansion of the Bhilai steel plant from 2.5 to 4 million tonnes, Bokaro to 4 million tonnes, and expansion of the capacity of Indian Iron from 1 to 1.3 million. The construction of the Salem plant and the expansion of the Alloy Steel Plant, naturally, are not taken into consideration because they come in a separate category, that is, production of alloy steel. I am saying that particularly so that my hon. friend, Shri Sivasamy may not get up and say that I have forgotten about the construction of the alloy steel plant at Salem. So, this is what we are aiming at by the end of the Fifth Plan.

The report on steel demand by 1975 and 1980 prepared by the National Council of Applied Economic Research in August 1971 at the instance of the Ministry of Steel and Mines was considered, along with the Planning Commission, the Director-General of Technical Development, the Hindustan Steel and the consultants to the Government and the domestic demand for 1980 was assessed at over 18 million ingot tonnes. It is also agreed that it will be appropriate to put forward before ourselves an export target of something like 2.5 million ingot tonnes, making a total demand altogether of around 21 million ingot tonnes.

By the end of the Sixth Plan, by 1983-84 the demand for steel is likely to go up to 27 million ingot tonnes, which means really building a new steel plant with about a capacity of 2 million ingot tonne steel every year from 1980, if we fix 2 million tonnes as the optimum size for a plant. But if we go

to higher than that, and my own assessment is that probably we will have to go higher, than it would not be right to confine ourselves to a limit of 2 million tonne plants, because it would appear that we should be able to get greater economies of scale by going in for larger plants. Our assessment and evaluation should be on the basis of increasing our steel producing capacity by a couple of millions, that is, 2 million ingot tonnes every year, from 1980.

So, now the question that we are considering is as to how we are going to, beyond the expansion of Bhilar and Bokaro, the building of these two new steel plants in Vizag and Vijayanagar, construct other plants, where we are going to have them and so, on I would like to tell the hon. Members that so far as the Vijayanagar and Visakhapatnam plants are concerned, the studies that we have made, the feasibility reports submitted by both the consultants who are advising us, that is to say, Dastur & Co. in relation to Vizag and the Central Engineering & Design Bureau in relation to Vijayanagar, reveal that the expenditure on construction is going to be extremely heavy, probably, in the region of somewhere about Rs. 3750 to Rs. 4000 per ingot tonne. For an annual ingot tonnes capacity, that is, 2 million tonnes, it will be anything from Rs. 750 crores to Rs. 800 crores, a very large amount of investment indeed.

We are examining also whether we should not think in terms of further expansion of the existing plants at Rourkela and at Durgapur and, perhaps, even at Bhilai because it is possible that we may come to the conclusion that the expansion at the existing plants may be some what cheaper than investing in new plants. The present assessment is that for going in for expansion in Bokaro from 1.7 million tonnes to 4 million tonnes will cost us only Rs. 2160 a tonnes and for going in for expansion in Bhilai from 2.5 million tonnes to 4 million tonnes will cost us about Rs. 2500 a tonne. That is something substantially cheaper than constructing a new plant. Therefore, in making up this gap from 18 million tonnes or so which includes Bokaro and new steel plants, etc. and pushing it forward at the rate of an increase in capacity of 2 million tonnes

a year from 1980, we shall have to take into consideration not merely the most promising location for construction of new plants but also it would be advisable to have, as a part of the plan, the expansion of the existing plants to the maximum extent possible. I think, it is necessary for us to appreciate that and, therefore, it cannot be merely a question of constructing new plants but it will also be a question of expansion.

When hon. Members emphasize that Orissa is peculiarly well-placed for locating a second plant, I would like to inform them that, first of all, we are giving the most serious consideration to the expansion of Rourkela plant itself. That I think is important because it would be wrong for us not to take advantage of the existing in-built facilities in Rourkela itself. It will enable us to expand Rourkela at a substantially cheaper cost than that of constructing an entirely new plant. Apart from that, we are of course, examining the position in relation to the building up of a second plant in Orissa and building up of new plants in other parts of the country.

Why it is emphasized that Orissa is well-placed is well known because it is very near the actual source of raw material, that is, iron ore, which is to a very substantial extent in the state of Orissa itself and, secondly, because we have also Orissa reasonably near the coking coal area for the use of metallurgical coal. Therefore, there can be no doubt that Orissa has got a strong case so far as the building up of a new plant is concerned.

What we have, therefore, done is that we have appointed recently, in January this year, a special committee to go into the question of location and to submit a report which we hope we will be able to in the course of the next six months or so. By the time we reach the stage of the submission of the report, I think, we should be in a position definitely to decide what are the actual locations of the new plants that are to be constructed. I would like the hon. Member to appreciate that it would not be proper to commit myself at present definitely that it is going to be in Orissa or in any other state, I think, it would only lead to unnecessary controversy because these things cannot, in the last analysis, be decided either by the

number of signatures that are collected on memoranda or by looking at the political aspirations of any section of our people. In fact, I am not able to see how political aspirations and building of steel plant exactly coincide. There can be no doubt that we have to go, as my friend Mr. Bhattacharyya emphasized, on the basis of what is best from the point of view of development of the country's economy. And I do not think hon. Members from Orissa need have the slightest nervousness about the merits of their case and, therefore, have to resort to petitions and bundhs and so on. So far as I am aware—I am liable to be corrected—I have not heard of location of steel plants being decided in any part of the world, including the country for which my good friend, Shri D. K. Panda, as well as I have great sympathies the Soviet Union—on the basis of bundhs and petitions. By and large, I believe, such matters are decided on the basis of examining the economics of the matter carefully, soberly, and in terms of the interests of the development of the country as a whole. And that is what Government is committed to. If the hon. members from Orissa who have spoken so eloquently ask me, "Do you think that our case is good on merits?" then as a lawyer, and not as a Minister, I would say, 'yes', but beyond that I am not prepared to go, and I do not think that it will be proper to go. Because, ultimately it has to be decided on the basis of an examination of all the circumstances, including, if I may put them before you, all the criteria—proximity to sources of raw materials, facilities for transport, proximity to steel consuming areas, availability of infrastructure facilities which are power, water and transport. And hon. members know that Orissa is not ill-placed in this respect except for transport which can be made up, as I am aware, with the general development of the area; especially in availability of skilled labour in the area—there again as a result of the development of the Rourkela steel plant you would have, speaking as a Lawyer, quite a good case; again in regard to the advantage of site where industry is not highly concentrated, you have a very good case; then in relation to the final criterion which is important, namely, proximity to ports for import of coking coal, to conserve the limited reserves available. We know the position of Paradeep and, therefore, on that score also you can certainly press your case very hard.

[Shri S. Mohan Kumaramangalam]

I would only ask hon. members to appreciate this that we are pushing forward fast now and we do think that, within the next six months or so, we should be able to come to a decision. The Committee that we have set up to look into the question of location was asked on the 25th of January this year to give its report by the end of September 1972. We all know how committees take a little longer than the dates that we fix and, therefore, I do not commit myself to the end of September. I hope that, by the end of the year, we would come to a definite and clear-cut decision as to where we are going to build these plants.

Before I finally conclude, I would like to emphasize that the Government is acutely conscious of the necessity of making the maximum use of all the minerals available in the Orissa State, the maximum use in the interest of Orissa and in the interest of our country. We know that Orissa is possibly,—I do not want to use comparisons too much—let me say, one of the most favourably situated States in our country from the point of view of mineral availability. The Industrial Development Corporation of Orissa has been granted letters of intent for three important projects—production of ferro-vanadium with a capacity of 480 tonnes a year, production of sponge iron 100,000 tonnes and billets based on continuous casting process and expansion of ferro-chrome from 10,000 tonnes to a capacity of 25,000 tonnes a year. In addition, the Industrial Development Corporation also commissioned in collaboration with the Department of Mines, that is to say, the Department of Mines in the Ministry of Steel & Mines, a report for setting up a project for formed coke at Talcher. This project would have a production capacity for about 100,000 tonnes of pig iron. The report is being prepared by the consultants in Delhi. Then we have also almost come to final conclusion to set up a Cold Rolled Grain Oriented Sheet Plant as part of the Rourkela project at an estimated investment of Rs. 32.6 crores in collaboration with a leading firm of producers of CRGO sheets in the U.S.A. A draft contract submitted by an American firm is at present under our consideration. I am only emphasizing all this because I would like the hon. Members

to appreciate that the Government is very seriously looking at the question of how maximum use can be made of all the facilities that we have in Orissa.

Before I conclude, I would only like to emphasize that this is an issue that should not have taken the colour of what I would call a political controversy. This is a national question. Hon. members have very legitimately, I think, criticised us for not doing sufficiently enough in pushing forward the steel production. The figures are there which will speak, not in our defence, but in attacking us and it is useless for me to make protestations that everything is beautiful in the garden. I think the grass is beginning to grow and I hope the garden will become a little more beautiful in a year or two and I am perfectly sure that in the development of the steel industry in our country, Orissa is going to play a very important part by virtue of all the advantages it possesses and which have been referred to particularly by the opener, Mr. Banamali Patnaik when he opened the discussion as well as by my hon. friend Mr. Panigrahi and all the others. I don't know whether I should mention all of them because everybody gave so many figures that I thought that I should not mention them because I am not sure of the figures. But I do want to assure all of them that we are giving—not that we will—but that we are giving our maximum attention at present to this matter and I am sure that the ultimate decision taken by the Government will satisfy not only the people of Orissa and their aspirations but the people of India which I think is equally important and their aspirations.

With these words I request the hon. Member not to press his resolution and to accept the assurance that I have given him on behalf of the Government.

SHRI D. N. TIWARY (Gopalganj): But you have not said anything about Madhya Pradesh.

SHRI S. MOHAN KUMARAMANGALAM: Madhya Pradesh is not in the resolution.

SHRI D. N. TIWARY: It is there.

**SHRI SURENDRA MOHANTY** (Kendrapara) : On a point of order, Sir. The hon. Minister replied to the debate with a dual personality. He was Dr. Jekyll as Minister and Mr. Hyde as a lawyer. He argued as a lawyer and did not speak as a Minister. The House is entitled to hear the Minister and not the lawyer. Will he kindly take the trouble and condescend to enlighten the House as to what is the reaction of the Government and what is the reaction of the Minister to the most innocuous resolution which has been moved by Mr. Patnaik ?

**MR. CHAIRMAN** : What is the point of order in this ?

**SHRI S. MOHAN KUMARAMANGALAM** : I think I spoke for some sixteen minutes if I looked to the clock correctly, out of which for 14 minutes I spoke as Minister and only 2 minutes as lawyer. So the balance is definitely in favour of the Minister and against the lawyer.

The hon. Member would appreciate and I have stated very categorically on behalf of the Government that it is not possible for me to commit myself to any position at the present moment. There would be no purpose in my committing myself when we are undertaking at present studies to decide the final location. What I appeal to the hon. Members was to have confidence in the merits of the case, more especially, the hon. Members from Orissa who are urging that there must be a plant in Orissa because the very facts and the materials they put before the House would certainly give them a very strong case on this point. But, I should not pre-judge it. It is not for me to pre-judge it. It is for persons and for experts going into the matter to put the material before the Government and on the basis of which the Government can come to a proper decision... (*Interruptions*)

The hon. lady Member, Shrimati Lakshmi Kantamma, who was eloquent and who is always eloquent about Kothagudem also mentioned about the Bharati process. It is not for me, I am not the person ultimately to decide about the Bharati process on my own. We go to experts. We get their advice. We take the whole thing together and then of course, we take the responsi-

bility for the decision. Not that we will shirk it. But it would certainly be most irresponsible on our part to come to a decision when the matter is being really examined seriously and in depth and I have committed myself and I do commit myself to that very seriously that as soon as the report of the committee is made available to us — I think it will be received by the end of the year — we should take it up and come to a decision so that we keep up to the commitment that we have given to the country, namely, of raising our steel production upto 22 million tonnes and so on.

**SHRIMATI T. LAKSHMIKANTHAMMA** : On a point of order, Sir. Is it that only a Minister can reply or a lawyer can reply ?

**MR. CHAIRMAN** : There is no point of order.

**SHRI BANAMALI PATNAIK (Puri)** : I would like to withdraw my Resolution because we have in Mr. Mohan Kumaramangalam both a lawyer and a Minister, because he will plead our case both as a lawyer and also consider it as a Minister. Our friend Shri Satpal Kapoor brought some allegations against the Chief Minister of Orissa that Government of Orissa is not cooperating in the functioning of the steel plant at Rourkela. But I am mentioning it here that without the cooperation of the Government of Orissa and without their grant of free land this steel plant would not have been set up there. If there is any difficulty the Minister of steel who is a family friend of the Chief Minister will take up the matter with the Chief Minister and things will be corrected there...

**SHRI S. MOHAN KUMARAMANGALAM** : May I interrupt you for a minute ? I have absolutely no complaint about the attitude of the Government of Orissa regarding the Rourkela steel plant. I have no complaint against the Chief Minister of Orissa who happens to have known me from the age of 4.

**SHRI BANAMALI PATNAIK** : That helps to remove all misunderstandings. About the future steel plant, I am sure, the Orissa Government has entrusted it to Dastur and Company who are also the consulting engi-

[Shri Banamali Patnaik]

cers to the Government of India. They have submitted their report. I am quite sure the Minister will go into the details. I know, as a Minister, he cannot commit immediately in the house. But I am sure, he will look into the case not from the Orissa's point of view but from the national point of view and from the national point of view production of steel will be cheapest in Orissa and therefore the case needs serious attention.

With these words, I would say, I am satisfied with the reply.

I now beg leave of the house to withdraw my resolution.

MR. CHAIRMAN : Has he the leave of the house to withdraw the Resolution ?

AN HON. MEMBER : No.

MR. CHAIRMAN : There is an amendment by Shri Mohanty, Are you withdrawing it ?

SHRI SURENDRA MOHANTY : No.

MR. CHAIRMAN : All right. I will put it to the vote. The question is :

That in the resolution,

*add at the end,—*

"after considering the feasibility report submitted to the Central Government by the Government of Orissa in respect of location of new steel plant in Orissa" (1)

*The motion was negatived.*

MR. CHAIRMAN : Is it the pleasure of the house that Mr. Banamali Patnaik's resolution may be withdrawn ?

SHRI JYOTIRMOY BOSU : No, Sir.

MR. CHAIRMAN : All right. I will put it to the vote. The question is :

"This House recommends that the Government of India should take imme-

diately and effective steps to establish two more steel plants during the Fifth Five Year plan to create increased potentialities in the production of steel and development of iron ore and that the first plant be established in Orissa and the second in Madhya Pradesh for reasons of techno-economic feasibility and comparative backwardness of these areas."

*The motion was negatived*

17'30 hrs.

# RESOLUTION RE: NATIONALIZATION OF LEADING INDUSTRIAL HOUSES

MR. CHAIRMAN : The House will now take up the resolution to be moved by Shri H. N. Mukerjee, for which 2½ hours have been allotted.

SHRI H. N. MUKERJEE (Calcutta—North-East) : I beg to move :

"This House is of opinion that immediate steps should be taken for the nationalization of the seventy-five leading industrial houses specified in the report of the Monopolies Inquiry Commission."

We have been treated lately to the slogan of Garibi Hatao, but that would remain a picturesque make-believe if the real road-blocks in the way of our prosperity are not removed.

17'31 hrs.

[SHRIMATI SHEILA KAUL in the Chair]

If we do not remove these road-blocks, Garibi would never go. Our economy requires rapid growth and at the same time social justice and this integration must happen, or else all talk about socialism would be hypocritical humbug. That is why in the context of the kind of thing which is being said very widely in these days, I wish to remind this House that the first and last point which is stressed not merely by full-fledged socialists