that there should be free availability of wagons. I request the hon. Minister of Railways to ensure this.

With these words, I welcome the Bill.

MR. DEPUTY-SPEAKER: Now we take up Shri Samar Guha's Motion on Durgapur Alloy Steel Plant for discussion.

14.59 hrs.

MOTION RE. EXPANSION OF DURGAPUR ALLOY STEEL PLANT

SHRI SAMAR GUHA (Contai): I move:

> "That this House is of opinion that the Ministry of Steel and Mines should reconsider the issue of expansion of the Durgapur Alloy Steel Plant for production of 60,000 tonnes of stainless steel, as was planned at the time of construction of the Plant and subsequently approved by the Ministry at a meeting held on the 6th March , 1971, instead of expanding it for production of unprofitable seamless tubes".

The issue whether the Durgapur SP will be expanded to produce stainless steel or seamless tubes created a lot of technological stir and agitation in the ASP itself. While discussing the issue on the floor of the House on the earlier occasion, I made a request to the hon. Minister to set up a Review Committee to go through the whole issue in a wider perspective and in the development of new technology in the steel industry all over the world. That request was spurned.

15.00 hrs.

However I am glad to note, the Minister has already informed me in reply to one of my unstarred questions, and also a starred question in Rajya Sabha, that the Government is going to re-examine the whole issue of expansion of Durgapur Alloy Steel Plant. I welcome the attitude of the Government and I think the Government has taken a very commendable posture and given up its rigid, dogmatic view, which they should not have in any technical matter. They should 1971, when the steel ministry took a firm decision in regard to the production of stainless steel in the ASP, no starting new discovery in the steel world has been made in technology.

It has been said that a delegation was sent outside to review the latest technological developments in regard to the production of stainless steel and other kinds of steel in the world steel industry and that this delegation has come back and recommended to the Government to make a fresh review of the whole issue whether Durgapur Alloy Steel Plant will produce stainless steel or seamless tube. It is good that the Government has accepted the views of the delegation. I think there was no need to send such a delegation abroad because during the last one year after 6th March, 1971, when the steel ministry took a firm decision in regard to the production of stainless steel in the ASP, no startling new discovery in the steel world has been made in technology.

In dealing with the issue whether Durgapur ASP will produce more stainless steel or seamless tube, I do not in any way want to prejudice the claim of the Salem steel plant. It is a matter of regional distribution of industries and it is a national policy. It is natural that the Tamil Nadu people can claim a steel plant at Salem. But I say there is essentially no controversy and there should not be any controversy whethere there should be a stainless steel plant at Salem in preference to Durgapur. That controversy is irrelevant because according to the field survey and also the market survey made by the National Council of Applied Economic Research, the requirements of stainless steel in our country by 1985 will be 140,000 tonnes; it may be plus or minus ten per cent. It may be provided that Durgapur ASP could produce 60,000 tonnes of stainless steel; perhaps the Salem project can also afford to produce 75,000 tonnes of

stainless steel. Evidently, according to our future national requirements there could not be any contradiction or controversy between the claims of Salem and Durgapur ASP.

I am sory to say that initially bungling was made in deciding the issue whether the Durgapur ASP should be allowed to expand and produce 60,000 tonnes of stainless steel. All the responsibility is not with the minister here. The first phase of Durgapur was completed in 1965. In 1968, Shri Swaminathan, the then Cabinet Secretary, gave a definite direction to the Chairman of Hindustan Steel Limited, Shri M. S. Rao, to proceed with the expansion of the Durgapur plant to produce 60,000 tonnes of stainless steel. But intriguingly that directive was not given effect to.

The second bungling was made after a firm decision was taken by the Steel Ministry itself on 6th March 1971. According to that decision, the expanision was planned for a product mix as follows: firstly to increase the production of ingots from 100,000 to 300,000 tonnes; 20,000 tonnes earmarked for defence requirements; 80,000 tonnes for forge shop and the balance of 250,000 tonnes for rolling including 60,000 tonnes of stainless steel plants or sheets. The most important point is, this meeting had all the benefits of the authority of experts opinion in steel technology. It was attended by experts in the Steel Ministry, Finance Ministry, Planning Commission, Hindustan Steel Limited. DGTD and technologists from the Durgapur steel plant. A more authoritative body in deciding technical matters certainly cannot be there. That body took the decision on 6th March 1971 on technological and economic grounds for expansion of the Durgapur Alloy Steel Plant for the production of 60,000 tonnes of stainless steel. But for reasons unknown to us, it was changed. However, I am happy it has been changed again.

The third bungling has been made by allowing the newly constituted CEDB—Central Engineering and Designing Bureau—rather grafting the newly constituted CEDB into the body technology of the Alloy Steel Plant at Durgapur. It was Dastur and Company that planned the whole project, and the first part of it. The Government has retained the services of Dastur and Company for planning and designing the Salem steel plant. But for reasons unknown the whole respnosibility in regard to the expansion of Durgapur plant has been given to CEDB, which do not have much experience in the field. For the last three years, CEDB could not take any decision in regard to whether more stainless steel should be produced or seamless tubes should be produced in the Durgapur Alloy Steel Plant.

If these bungling could have been avoided what would have happened? Firstly, the second phase of Durgapur alloy steel plant could have been completed at a cost of Rs. 70 crores because at that time the cost index of many materials were lower. Now it will require Rs. 150 crores. That means, if timely decision had been taken without going through these bungling, our national exchequer could have saved about Rs. 80 crores. Secondly, if this decision had been taken earlier, stainless steel import from outside could have been avoided. That would also save a lot of our foreign exchange. Thirdly, if the Government could take the decision to produce stainless steel in the Durgapur Alloy Steel Plant, that would have given a better spurt to our home indsutry as also to our export industry, based on stainless steel. The delay and indecision has created a lot of strike, agitation, tension in the Durgapur Alloy Steel Plant with consequential loss in production of stainless steel there.

The justification for expansion of Durgapur Alloy Steel Plant for production of 60,000 tonnes of stainless steel are, firstly, it is inherent in the very concept of planning and designing of the Durgapur Alloy Steel Plant

[Shri Samar Guha]

that was made by Dastur & Company. Secondly, its technology is sound and profitable. Thirdly, it is not only viable but absolutely essential for our home and export industries.

In regard to the concept of planning a plan was made by Dastur & Company for Durgapur Alloy Steel Plant. It was based on the concept that this was only the initial phase and it has to be expanded into the second phase. The whole concept of planning was also approved by an international steel firm of big reputation, the Atlas & Company of Canada. Naturally, at that time the Durgapur Alloy Steel Plant, Commissioned according to the plan of Dastur & Company had a hand-driven sheet mill, instead of a continuous strip mill. It is known to any elementary student of steel technology that a hand-driven strin mill cannot match a continuous strip mill in production so far as either quality or quantity is concerned. Therefore, Durgapur Alloy Steel Plant could not produce quality stainless steel and it failed to compete with other foreign companies producing stainless steel. It is not unnatural or unexpected that it will run at a loss because its finished product could not compare either in quality or in quantity with what is required by the special industries. Because of these shortcomings in the plant itself, which are inherent in the very initial structure itself, it could not reach the target of 13,000 tonnes of yearly production.

Dastur & Company planned the whole project in Durgapur in a way that when the second phase will be completed and when the continuous strip mill will be commissioned, even at a stage of 50 to 60 per cent production the Durgapur Alloy Steel Plant will be a profitable concern. If there had been no delay, by 1972-73 the Durgapur Alloy Steel Plant would have been in a position to give quite a good dividend.

As I said earlier, it is impossible for a hand-wriven sheet mill to ptoduce quality steel. Therefore, there should not be any surprise either in the Steel Ministry or in the Government as to why Durgapur Alloy Steel Plant is running at a loss. On the contrary, as was considered by the planners themselves, if the Durgapur Alloy Steel Plant is not allowed to expand for production of stainless steel, that will mean the death warrant of the existing plant for production of stainless steel of 13,000 tonnes itself.

I have said that technologically also the Durgapur Alloy Steel Plant should be allowed to expand produce 60,000 tonnes of stainless steel. Firstly, the stainless steel alloy needs, in other countries, a very costly mineral called Nickel. Nickel is not available in plenty in our country. But it goes to the credit of our scientists, and it is a matter of pride for us that the technologists in Durgapur—I am very proud to say that there are a few colleagues of mine there who were formerly in the Jadhavpur University-have developed a process, a technology, to replace Nickel by Chromium. Chromium is available in plenty in our country. They have also developed ferro-chromium manganese alloy in which a very limited quantity of nickle will be required. This is a great achievement which is in possession of the technologists of Durgapur.

Secondly, the technologists in Durgapur have already mastered the know-how technology which was purchased from the Atlas & Company of Canada. There will be no necessity to purchase any fresh technology if the Durgapur Alloy Steel Plant is allowed to be expanded to produce more stainless steel.

Thirdly, the Durgapur Alloy Steel Plant technologists after handling the process of production of stainless steel have acquired a certain experience. This experience is very valuable.

Fourthly, as I have already said, Dastur & Company planned, designed, the whole Durgapur Alloy Steel Plant and the way and how the second phase

will be required for full designing and outlined in its first plant project. Therefore, it will take not only minimum time but even not much time will be required for full designing and planning to complete.

Lastly, already the basic facilities like water, electricity, etc. exist in the Durgapur Alloy Steel Plant. Therefore, this can also be avoided if the Durgapur Alloy Steel Plant is allowed to produce more stainless steel.

As far as the economical and industrial benefits are concerned, the use of stainless steel is increasing both for home industry and also for export industry. India is exporting many engineering goods, engineering products, and more important is that the requirement and consumption of stainless steel is increasing in our country. If the Durgapur Alloy Steel Plan is allowed to expand its stainless steel production, they will be able to meet the requirements of petro-chemical industry, fertiliser industry and other such industries, particularly in the eastern region. The engineering industries like the automobile industry, power generation, paper and pulp machinery, textile machinery, jute machinery, etc. in our country will also largely be benefited by the Durgapur Alloy Steel Plant.

There is an immense scope and greater feasibility for development of infra-structure industries, like, production of stainless utensils, steel furniture, commercial refrigerators and other engineering plant equipment for our country, particularly in the eastern region. If we can develop infra-structure industries, as we are already talking of more employment to people, not only will there be more employment to people but it will also provide immense potentiality for self-employment. The word "self-employment" has become now very popular. If this stainless steel has got to be produced there, then the development of infra-structure industries in the whole of the eastern region will add to our employment potential and also to self-employment potential.

There is another point. The gestation period for expansion of Durgapur Steel Plant to reach production stage will be minimum. That will help to save our foreign exchange and that will also help to avoid import of quality stainless steel from foreign countries.

As I have already said, most of the above mentioned industries are concentrated largely in the eastern region. The additional quantum of stainless steel production, as I have mentioned, will give a spurt for the growth of home industry as well as export industries in our country.

The hon. Minister has given an indication that the Government is going to re-examine and review the whole issue in its entire perspective. That means, the Government has not yet come to any firm conclusion whether the Durgapur Alloy Steel Plant will be allowed to expand to produce 60,000 tonnes of stainless steel or to produce seamless tubes. That issue has not yet been finally and firmly decided. Here, we have to make a comparative analysis between the production of seamless tubes and the production of stainless steel in the Durgapur Steel Plant.

Firstly, 90 per cent of the market for seamless tube. Even the AVB factory, tern and southern regions of our country. The eastern region of our country has only ten per cent requirement for seamless tube. Even the AVB factory, the Boiler factory of Durgapur, which was the potential user of seamless tube, has been removed from Durgapur to Maharashtra; so, that possibility is also not there.

Secondly, if Durgapur Alloy Steel Plant is asked to produce seamless tube, it will have an annual profit of only Rs. 8 crores. But if Durgapur ASP is allowed to produce stainless steel, it will have an annual profit of Rs. 50 crores.

[Shri Samar Guha]

Thirdly, for the production of seamless tube, you have to purchase the knowhow, the technology, and you have to give training to the fresh experts. It will take much time for making a fresh design and planning for setting up a seamless tube plant in Durgapur.

For these reasons, I request the hon. Minister that, while re-examining and reviewing the whole issue of Durgapur ASP, the idea of production of seamless tube in Durgapur ASP should be finally and totally buried, dropped; the question of production of seamless tube should not be raised again.

I would say that there is no controversy between Salem and Durgapur. Nobody should have any prejudice against Salem. Nobody should say a word to argue why the Salem project should be denied of its privilege to produce stainless steel; I am not saying a word about it. But there is the question of priority. If that question at all comes before Government, if the Government has to choose between these, which one will be expanded first, I will humbly submit that, from the stand-point of national economy, priority should be given to Durgapur Alloy Steel Plant. The reason is that Salem require Rs. 340 crores while Durgapur Project will require only Rs. 150 crores.

Secondly, as I have already said, Durgapur has all the know-how, technology and the expertise and, therefore, it will be able to produce stainless steel in a quicker time. Also as I said, Dastur & Co. more or less outlined the plan and design for the second phase of the Durgapur Alloy Steel. That will also be helpful if priority is given to the Durgapur Alloy Steel.

As I have mentioned earlier, I want to repeat about the gestation period. Salem to produce stainless steel, I think, will take at least five or six years and it may be more. But in Durgapur, as I said, the know-how, the technology and the expertise are there and the formula for production of alloy steel is there and so, the gestation period will be very much less. What will be the result? The result will be that Durgapur ASP will be able to market its stainless steel in a quicker time. That will mean that it will help our home industry and also the export-oriented industries and also obviate imports of quality steel from outside and that will help us save a lot of precious foreign exchange.

Therefore, as I have said, there is no question whether this will be given the priority. But, on the consideration of expenditure and allocation of funds, if any question of priority either to Durgapur or Salem arises at all, then for economic reason, for industrial reason, for technological reason, for economic viability and also for saving our foreign exchange and for giving a spur to our export-oriented industries, priority should be given to the Dugapur Alloy Steel.

Lastly, when the final review or assessment or re-examination, whatever be the word the hon. Minister may use, takes place in regard to the expansion of the Durgapur Alloy Steel, I would only humbly make a request. Do not only depend on the bureaucrats sitting in Delhi. We have certain experience. Central experts, the other experts of the Planning Commission, HSL experts certainly, should be there and to them, I would request you to add two more. One is Dastur & Co. who originally planned and designed the plant. Their view should also be taken into consideration and secondly, the technical officers' committee of the Durgapur ASP also should be consulted. I had a talk with them. They were so much convinced that they are already to challenge the Government to convince or be convined. Invite them, have a seminar and let them sit around the table and discuss with them about the issue of seamless tube or stainless steel. I will request that while taking a decision, the technological experts from the Durgapur Alloy Steel who have the field experience who have the practical experience should also

be invited. The Government have accepted the principle of workers' participation as regards management, and if the idea of technological participation in taking decisions on technical matters is adopted, it will give a new idea, it will give them an opportunity to have a pride in developing our technology,—their genius and their inventive capacity which will be of great value and great incentive.

I again thank the Minister for not taking any rigid attitude and agreeing to re-assess, re-examine and review the whole issue of expansion, of the Durgapur Alloy Steel.

SHRI JYOTIRMOY BOSU (Diamond Harbour): I beg to move:

That in the motion,—

for "for production of 60,000 tonnes of stainless steel, as was planned at the time of construction of the plant and subsequently approved by the Ministry at a meeting held on the 6th March, 1971 instead of expanding it for production of unprofitable seamless tubes."

substitute—

"as otherwise it will aggravate the problem of acute steel shortage in the country and will also lead to further deterioration in the employment situation in West Bengal and, therefore, urges upon the Government to go ahead with its original plan of expansion of the Durgapur Alloy Steel Plant for production of 60,000 tonnes of steel."(1)

DR. LAXMINARAIN PANDEYA (Mandsaur): I beg to move:

That in the motion,—

add at the end—

"and regrets that the Government have failed to implement the declared scheme" (2).

SHRI B. K. DASCHOWDHURY (Cooch-Behar): The Mover of the Resolution has dealt with the subject elaborately. I am completely in agreement with all the arguments put forward by the hon. Member, though I am not one to agree with the Motion as it is.

Sir, while supporting the Motion, I would request him to drop the portion in the last two lines which says:

..."instead of expanding it for production of unprofitable seamless tubes."

Sir, I would request the hon. Member to delete this portion and confine his Motion to the extent of saying about what happened at the meeting held on the 6th March, 1971, in the chamber of the Steel Secretary.

Sir, certain details have already been given by the Mover and also by several other hon. Members both inside and outside Parliament. We took part in a discussion with the hon. Minister. Why was the decision taken on the 6th March, 1971, in the chamber of the Steel Secretary (which included the Steel Secretary, the Financial Adviser, the HSL Chairman, the Technical Development Adviser and many other persons) suddenly changed at the next meeting held on 21st of July, 1972?

In March, 1972 we, the Members of the House and party leaders, were very much busy with the election work and we proclaimed that if there be good majority in favour of our great leader Shrimati Indira Gandhi, then the country will march forward and develop further and we will be able to solve our problems. While we won with big majority in the last election, immediately thereafter, we do not know what had happened in between, for the officials to change the decision taken on 6th March, 1971, and we find another decision taken on the 21st of July, 1972. What happened in between? If the hon. Minister considers

[Shri B. K. Daschowdhury]

and reconsiders the decision taken in both these meetings, he will agree that the argument put forward by the Steel Secretary on the 6th March, 1971, was completely reversed on the 21st of July, 1972 I do not know what happened in between, what made him to say that Durgapur will not be a profitable one to have 3 lakh tonnes of ingot production including this 60,000 tonnes of production of stainless steel though the very same person supported the idea in the meeting held on the 6th March, 1971.

It has been made known to the whole House at the time that the Durgapur plant was set up that this will have its own expertise, that they will send persons abroad to Japan and Canada and some other countries to ger expertise, expert knowledge and technical skill. After having done all this we do not know why the idea of expanding it more and more has been shelved. It has been stated both inside the House and outside that the existing capacity of alloy steel plant at Durgapur is 13,000 tonnes. But even then, only 3,000 tonnes have been manufactured. So, this is the condition there.

These are the ways in which the entire case of the alloy steel plant at Durgapur has been put, giving wrong information that the Durgapur steel plant is really in a very bad condition, that it is in the red and that it cannot come to its green position. But the officials never stated what were the mechanisms and what are the mechanisms even today existing in the alloy steel plant to have fullest utilisation of capacity up to 13,000 tonnes steel; instead, we find that instead of 13,000 tonnes full capacity, the production has come down only to 3,000 tonnes, which is not very much conducive for any alloy steel plant and for producing this stainless steel. There ought to have been a further mechanism for achieving full capacity, as suggested by even Dr. Bohr. But even then it has not been done Due to this, the hand-sheet mill had to be used and, hence the total capacity of 13,000 tonnes could not be achieved. Instead, allegations have been made that the Durgapur Steel Plant is red, and it is not in a position to come to its fullest capacity of 13,000 tonnes and whatever its capacity may be, it is no good expanding it to 60,000 tonnes of stainless steel.

It was decided that the Durgapur Steel Plant should be expanded to 3 lakhs tonnes, out of which 60,000 tonnes should be stainless steel and the rest hould be seamless tubes and other things. But subsequently we found or at least we came to know that the major portion of the stainless steel had been curtailed and earmarked for some other plant, namely the Salem steel plant Only a few days back, on the 23rd November, the hon Minister stated that even with 70,000 tonnes stainless steel production capacity at Salem and even with 90 per cent utilisation of capacity, there will be only a very small or marginal profit of Rs. 30 lakhs with a total investment of Rs 340 crores. But in no part of the world have we been told by any experts that any alloy steel plant can come up to the level of 90 per cent utilisation of capacity, whereas in the alloy steel plant, Durgapur, it has been stated by the technical committee, it has been stated by the workers and the officials ...

THE MINISTER OF STEEL AND MINES (SHRI S. MOHAN KUMARAMANGALAM): Which technical committee?

SHRI B. K. DASCHOWDHURY: I am referring to the technical committee that was formed by the alloy steel plant executives' association They have stated that even with 52 per cent utilisation of capacity, if this alloy steel plant is expanded up to 60,000 tonnes stainless steel, it would give a very good profit.

SHRI SAMAR GUHA: That was the whole concept of Messrs. Dastur & Co.

SHRI B K. DASCHOWDHURY: But in the case of the Salem plant, an investment to the extent of Rs. 340 crores with 90 per cent utilisation of capacity will give only a marginal profit of about Rs. 30 lakhs, whereas the further investment that would be required in the case of the alloy steel plant is only Rs. 150 crores I would suggest that one has to consider this question from the point of view of the national economy and the country's welfare or well-being and see which is more profitable. I am not the person to suggest that there should not be any further steel plant in any part of this country, whether at Salem or anywhere else. But I am only pointing out that here we will be in a position to produce a total quantity of 60,000 tonnes or even more by the end of 1976 with an investment which would be far less than that at Salem, because while the investment in the case of Salem would be Rs. 340 crores, that in the case of Durgapur would be only Rs. 150 crores, and further in the case of Salem it is proposed tentatively that it is only by the end of 1979 or by the beginning of 1980 that it may be possible to come to this level of production, in spite of the fact that the country needs stainless steel more and more and it depends on greater and greater production of stainless steel in order to save this much of foreign exchange. I do not know why the hon. Minister should take so much time to consider this matter. I am really happy, however, that he has kindly consented to review the whole thing and reconsider it. He has agreed not only to have a second look but to review the whole position in the light of all the opinions expressed here, as stated by the hon. Mover of the motion.

But I do not understand why suddenly the firm decision taken on the 6th March, 1971 was changed. The only argument that was advanced at one stage when we met him on a deputation was that instead of stainless steel production, Durgapur was being expanded for seamless tubes. But it is known to all, and even the hon. Minister himself knows it better than I do that seamless tubes are not so much profitable, and the small quantities of other types of steel that would be produced there with other product-mixes, such as construction steel, high speed steel, carbonised steel or carbon steel are not so much profitable, and as such any amount of expansion of the alloy steel plant at Durgapur for producing these things will not take it out of its red position to the green position.

With the best technical know how we have, with the other resources we have, with the means we have to expand the production, the best way to take the ASP from red to green is to expand the stainless steel production. Not only will it result in a better position for the ASP at Durgapur; it will also open up immense scope for development in the eastern region. So I would request the hon. Minister to come to a final decision as early as possible reviewing the whole thing

It has been estimated that by 1980-81, our requirement of stainless steel in the country might go up to one lakh tonnes In this context, I would request the Minister to go ahead with this scheme. I do not mind if there be simultaneous production of stainless steel at the Salem plant. Let that also go ahead so that by 1980-81 we may have a sufficient quantity of stainless steel produced in the country so that we may not have to depend on imports.

SHRI KRISHNA CHANDRA HALDER (Ausgram): I rise to support the motion moved by Shri Samar Guha. He has stated the position in detail I support the motion not only for the reason that the ASP Durgapur is within my constituency .

MR. DEPUTY SPEAKER: Not for that reason.

SHRI KRISHNA CHANDRA HALDER: ...., but for the reason that it

[Shri Krishna Chandra Halder]

is in the national interest, from the national economy point of view and for the industrial growth of the eastern region, specially industries like chemicals, petro-chemicals, fertilisers and engineering industries for which there is a huge potential in eastern India with oil fields in Assam, with the Haldia complex and with the Barauni refinery. It will also give employment opportunities for the unemployed in that region.

You know that Dastour and Company recommended expansion from one lakh ingot tonnes to 3 lakh ingot tonnes. This recommendation was accepted by Messrs. Atlas Steel Company of Canada who has given the technical knowhow. Government decided on expansion of ASP, Durgapur, when it started production in 1968. It is known to everybody that the expansion programme of Bhilai and Rourkela was undertaken just after starting initial production. Also, Government decided to expand the Bokaro steel plant even before starting production. At the time of expansion of those plants, no production item was shifted to other plants, but in the case of ASP, Durgapur, stainless steel was shifted to Salem. The Government and the technical experts took three years to take a proper decision on expansion. At the meeting held on 6-3-1971 in the room of Secretary, Ministry of Steel and Heavy Engineering, it was decided on expansion and to produce 60,000 tonnes of stainless steel per annum. Though Shri Guha referred to it, I will quote from the minutes of the meeting held on 6-3-1971:

> "On the basis of the data available, he (Secretary) said that CEDB could go ahead with the preparation of the detailed project report, for increasing the capacity from the existing level of 100,000-T ingots to 300,000-T of ingots, out of which 20,000-T might be earmarked (as slabs) for meeting Defence requirements; about 30,000-T for the forge shop and the balance 250,000-T for rolling, out of which stainless steel/plates/sheets could be in the region of 60,000-T."

But inspite of the definite decision it is shifted to Salem.

We are not at all against the interest and aspirations of the Southern People especially of Tamil Nadu; we support all-round development and building up of Salem Steel Plant. Our submission is that it should not be done at the cost of Eastern region and at the cost of A.S.P. Durgapur.

We are against provincialism. If you go to West Bengal you will find the whole of India working shoulder to shoulder just like brothers in the industrial belt of West Bengal. But I want to draw the attention of this august House from the national point of view.

Firstly, Salem Steel Plant will cost Rs. 340 crores and at the same time Rs. 150 crores will be the cost of expansion of ASP to produce 60,000 tonnes of stainless steel; that is to say our country will save Rs. 190 crores.

We are importing raw materials from other countries spending huge foreign exchange. Our country will also save foreign exchange.

Due to this delay in expansion from 1968 onwards the cost of expansion of the Plant has increased by 10 per cent to 15 per cent per annum. Is not this delay hampering our National interest?

I want to say that by denying stainless steel to Alloy Steels Plant Durgapur, we are creating a national disaster in the sense that the price of stainless steel will be kept high and the infra-structure which would come in the eastern sector with the availability of stainless steel will not come.

I would demand of the Government that they must reconsider their decision and decide on their original plan

of expansion of A.S.P. Durgapur to produce 60,000 tonnes at a cheaper rate which is in all respects befitting the proper perspective of the situation.

SHRI SUBODH HANSDA (Midnapore): While supporting the motion moved by Shri Samar Guha, I have to say that I cannot agree with the last part of this motion which says, instead of expanding it for production of unprofitable seamless tubes. I cannot support this part; I agree with the first part. Durgapur ASP was the first of its kind to be set up in India. This steel plant initially started its production in 1968 and there were no technocrats to produce alloy steel in our country for which the Government had to get engineers trained from Canada, Japan and other countries. The demand for stainless steel is growing and we find that the price of stainless steel has gone up considerably. There will be no competition for the Salem steel plant; if in addition to one steel plant we can set up some more Salem steel plants, probably our demands would only then be fulfilled.

Today we are importing stainless steel spending crores and crores of foreign exchange. Certainly nobody wants this drain on foreign exchange. When we have got Durgapur alloy steel plant and it was initially designed for 3 lakh tonnes of alloy steel, I do not know why the Government changed the idea of expanding it. When you have got so many trained teehnicians there and by spending only Rs. 150 crores you can save crores and crores of foreign exchange, I do not find any justification why Government is hesitating about this expansion scheme. Can the Government assure this country that Salem plant can go into production within two years even after spending a minimum of Rs. 200 crores which will now cost more than Rs. 350 crores? But it is true that if Government spends Rs. 150 crores at Durgapur, certainly it will be able to produce the planned capacity. So, I do not understand why the Government have taken this decision. I hope Government will revise this decision.

Today the eastern region is facing the problem of unemployment. There is another aspect. We feel this is a planned away to take away the production of alloy steel to Salem. Even if the production of seamless tube starts up to hundred per cent of the capacity, the plant will not be viable. But if production of stainless steel is made even up to 50 per cent of the capacity, the plant can be made viable. Therefore, Government should consider whether it is desirable to spend Rs. 350 crores for the coming 5 or 6 years or to spend Rs. 150 crores for ready production. On one occasion, the minister himself said that if the production of seamless tube does not make the plant viable, then it will go back to the original idea of production of stainless steel. That means, in his own mind there is every doubt that it seamless tube is produced, the plant will run at a loss.

SHRI S. MOHAN KUMARAMANGALAM: The hon. Member is wrong. I have not made any such statement.

SHRI SUBODH HANSDA: If that is so, I am withdrawing my remarks.

Whatever may be the reason, when the eastern region is facing the problem of unemployment, we would request the hon. Minister not to hesitate to expand the steel plant for production of alloy steel. So, I support the motion of Shri Samar Guha, except what he says at the end of his motion, namely, instead of expanding it for production of unprofitable seamless tubes" and I hope the Minister will accept it.

SHRI INDRAJIT GUPTA (Alipore): Mr. Deputy-Speaker, I do not propose to repeat the very cogent arguments which have been advanced by all the preceding speakers.....

MR. DEPUTY SPEAKER: That would be a good example.

SHRI INDRAJIT GUPTA: .....in favour of the expansion of the alloy steel plant at Durgapur to its original rated capacity. Government is never tired of telling workers, employees and officers to adopt a constructive frame of mind to the problems facing the country. We are always chastised with the criticism that we are all entirely negative and destructive in our outlook, why don't we think constructively, why don't we make constructive suggestions. Incidentally, the workers and employees of the Durgapur complex have also been always accused of being only concerned with their selfish monetary motives, not being capable of looking beyond their selfish interests, to the larger interests of the country and so on. In this background, here we have a unique example of a peaceful agitation which is being carried on over an issue which is not in any sense a narrow selfish, regional or monetary issue at all. It is an issue which concerns the health of the public sector an dthe welfare of the nation as a whole. We do not get such example frequently. Here we have an example where the workers, employees and executives of the plant have been carrying on an agitation, not for increase of salary or bonus or anything like that, or for any narrow selfish thing saying "we must have an expansion here; let the Salem plant go to blazes"; not at all. I would have thought that the vigilance and the consciousness on this issue which has been exhibited by the workers and the executives of the alloy steel plant, Durgapur, is something that we should feel happy about. I think the government should welcome, should encourage people in plants in the other sectors to go deeply into those problems. They may be right or wrong in their various demands; I am not going into that just now. But the fact that they are willing to go into the matter deeply and take it up as an issue for representation and agitation is a matter which should be welcomed.

There may be some bureaucrats who resent it on the ground that this is some sort of unwarranted interference by workers and officers in an area which belongs properly to planners, to consultants, to designers, to Ministers and "What business have you got to poke your nose into these matters?" and so on. I can well understand the resentment which is felt in certain quarters, in the tradition-bound bureaucratic quarters, in a matter like this But I think it is a glowing example of the kind of constructive approach, backed up by peaceful agitation, which has been adopted in Durgapur by the executive officers and workers on this issue. If the reports which have already appeared in the press are correct, he has stated in the other House that the whole issue, the whole controversy, is going to be looked into again, is going to be reconsidered. I hope he will confirm, modify or correct that statement, if it is wrong.

SHRI S. MOHAN KUMARAMANGALAM: I have said so in this House also in answer to an unstarred question.

16.00 hrs.

SHRI INDRAJIT GUPTA: Well, I am very happy because that only corroborates what I am saying. It proves that the essence of this agitation—every detail may not have been correct—was certainly in the national interest and at least a very reasonable demand was made that the experts of the Ministry, the experts of the Planning Commission and so on, whoever they are—I have great respect for them; I do not know who they are—should sit down and consult these people also, the engineers of the Plant, the executives of the Plant, the technicians of the Plant, all these people, who are differing so sharply with them. Let them sit down together.

This is something which belongs to the nation. It is the property of the nation. This Plant is not being put up with the money of Birla or Tata. The tax-payer is paying for it out of his pockets. Therefore, if this Government has taken this decision of reconsideration and review, I welcome it and, I hope to hear more from him when he replies because he has been quoted as having said that the decision of review and reconsideration is based on the latest technological developments which have taken place I am a lay-man and so, you are Sir, in this matter. We would like to be educated by the Minister about it as to what are the technological developments which have taken place between 6th March, 1971 and 27th July, 1972 which have caused sufficient thinking in the minds of the Ministry to look into the matter again

Sir, the matter has raised considerable feelings, I admit, in my State. But the reason for it is very simple. It is not in any parochial or provincial sense that it is being raised; it is because we feel this is an issue which is vitally connected and related with the entire problem of the economic stagnation, with the industrial stagnation, of West Bengal.

16.03 hrs

(SHRI R. D. BHANDARI *in the Chair*)

I would like to invite the attention of my good friend, Shri Mohan Kumaramangalam, to the reply given in the last session of Parliament by his colleague, the Planning Minister, to the debate which took place on my Resolution regarding economic problems of West Bengal. In the course of that reply Shri D. P. Dhar said that he was rather disappointed that the mover of the Resolution that is, myself, had not been able to pinpoint, according to him the real malady from which the industrial front in West Bengal was suffering. I have not got the proceedings here. So I am not quoting his exact words. But he can refer to them. Shri Dhar said that the real trouble in West Bengal is that the industrial structure that West Bengal has inherited from the past is really of a colonial type. He was referring to the jute industry, tea industry, old coal mines and so on. He said that if West Bengal is to make a break-through, then it must be in the direction of starting new types of modern sophisticated industries which were not developed in West Bengal in the past. If this is Mr. Dhar's analysis and I agree with it to a great extent, then, in this context, we have felt that the development of stainless steel capacity at Durgapur is one of the essential components of the infra-structure on which depends the development of new types of sophisticated industries, such as, petro-chemicals fertilisers and so on to which other friends on this side have also referred

That is why there has been a feeling, a great deal of public concern, in West Bengal that if for any reason the planned capacity for stainless steel products at Durgapur is to be reduced or drastically slashed down, it will not only affect the particular plant but it will have a bearing on the entire infra-structure on which new type of industrial development in West Bengal should depend. That is even according to my good friend, the Planning Minister. I hope, the Minister realises that this is the way in which we have been looking at it. It is not either a question of conflict between Durgapur and Salem. My other friends have made it amply clear that from the estimates which have been made by the National Council of Applied Economic Research—it may be wrong, I do not know—and they have at least studied the problem, of the country's demand for stainless steel, it is clear that even if there is a production of 60,000 tonnes of stainless steel production at Durgapur and 70,000 tonnes at Salem, even then there will be a shortfall in production in relation to the total demand of the country which is growing

[Shri Indrajit Gupta]

Therefore, we may be wrong, but I can tell you this. If these figures are wrong, they may be wrong, but at least we have never said that something should be cut down at Salem in order to provide for the production of 60,000 tonnes at Durgapur. It is our belief that both these plants can function together. There is no need to cut down one at the expense of the other at all. It is very unfortunate that some sort of atmosphere or suspicion has been allowed to be created by the Government by not putting all their cards on the table, that there is an attempt to divert stainless steel capacity from Durgapur to Salem, although I know the Minister here has on several occasions denied this and always referred to certain technological development. Now we are told that, on the basis of the latest technological development, the matter will be reviewed again. Of course, he knows more about the technical side than what I do, since he is the Minister in charge and he should educate the House as to what is actually going on.

Many friends have referred to the original decision taken in March 1971. I am not going to refer to those things again. But this mystery still remains unsolved—what were the factors which led the Government to change or revise the decision regarding capacity and product mix which were decided upon in March 1971. I say that there is a mystery behind it because we find this from some papers that we have got here and this has not been, to my knowledge, contradicted. In a letter addressed by the Alloy Steel Executives' Association to the Chairman of the Hindustan Steel Limited on the 28th August this year, they say among other things:

"The General Manager....

That means, the General Manager of Alloy Steel plant.

"....in the meeting with us on 24-8-1972 categorically pointed out that between the period of 7-3-1971 and 20-7-1972 ASP personnel were not involved in finalising product mix for ASP's expansion, and it also transpired during the discussion that neither the ASP personnel nor yourself...."

Meaning, the Chairman of HSL.

"....were involved in arriving at the product mix for ASP's expansion as stipulated in the minutes of the meeting held on 21st July.

"It was also disclosed by the General Manager, ASP, during the meeting with us on 24-8-1972 that the product mix that was offered by the Ministry for ASP's expansion.."

That is to say, cutting down the stainless steel part of it and substituting by seamless tube.

"... will have no market in view of the various licences issued to the different companies and you...."

That is, Mr. Bhaya.

"....are going to write a letter to the Ministry in this line."

This is a revelation which seems to indicate that, in the whole process of revising the product mix, neither the Chairman of Hindustan Steel Limited nor the General Manager of ASP, nor the technical personnel of ASP, was associated or involved in it at all. Who did that then? Who were the experts? What is the composition of the expert committee which in July suddenly decided to revise the whole thing?. That is what I would like to know. Why did they work this way and not take these people into confidence and have consultations with them? The Minister cannot blame the people if, when such things are known, all sorts of suspicion get around.

Mr. Dastur's project report has already been referred to,—I do not want to repeat—what they had visualised, how the expansion should take place

from the very beginning, Mr. Dastur has made it quite clear—that is an important point which all of us frequently refer to in this House—that initial planning of the facilities is such that expansion can be accomplished with relative ease.

I am quoting from M/s. Dastur's report:

> "Provision for expansion in the original plant costs very little in comparison with the total initial investment but is more than compensated in the later years as the plant grows."

This was the whole outlook and perspective. Therefore, I think the Minister should tell us why there should be a change when the original plan, the original product-mix plan for the originally rated capacity of the expansion was to be an expansion from 100,000 tonnes to 300,000 tonnes of ingots out of which 20,000 tonnes should be for defence purposes, 30,000 should be allotted for forging and out of the remaining 250,000 tonnes for rolling purposes, 60,000 tonnes would be stainless steel products. This was the simple plan. That was the way the plant was designed, that was the way it was approved by the foreign collaborators, that was the way it was constructed and that was the way it was equipped and that is the way the whole capacity as already present can be expanded, as other frinds have pointed out, at an expenditure of only Rs. 150 crores. That is all I have to say in this matter.

I am very happy Mr. Guha has brought this matter here as a special subject for discussion. I am not insisting as he has done in his resolution—at least his resolution's latter part seems to indicate—that on no account the seamless tube part of it should be included in Durgapur. I am not an expert. If installation of a seamless tube plant means that the 60,000 tonnes stainless steel project should be cut down, then I am opposed to it. If the 60,000 tonnes stainless steel can be provided for along with the seamless tube production, I have no objection. We have no objection.

SHRI S. MOHAN KUMARAMANGALAM: Now, the hon. Member is opposing it. I have stated repeatedly that if he could make a statement, it will be useful to understand why he is opposed to it.

SHRI INDRAJIT GUPTA: To what?

SHRI S. MOHAN KUMARAMANGALAM: If seamless tube plant is there and if it is found that the stainless steel plant should not be there, why is he opposed to it? What is the reason?

SHRI SAMAR GUHA: I have given the reason.

SHRI INDRAJIT GUPTA: I think then I have to make a speech all over again. The simple mater is. Why a stainless steel plant should become mainly a producer of seamless tube. I am asking him a counter-question. Stainless steel is an item which is in very short supply. I can quote the import figures, how much we are spending every year on importing stainless steel because it has got the nickel content and if we go on with the full-rated capacity of stainless steel production how much we can save in the long run.

Secondly, we consider it as an essential part of the infra-structure for development in the eastern region of other new sophisticated industries

Thirdly, Dastur's project report and the decision of March 1971 all confirm that 60,000 tonnes would be the capacity. Why have they suddenly come along and tried to cut it down? I have no objection to a seamless tube plant being put up there, but, not at the cost of the stainless steel, because the experts with whom we are in touch at least, tell us that this seamless tube plant will not be a profitable concern, that it will not make the whole plant viable in future and after a few years when the plant runs into losses, we will be told that the workers

[Shri Indrajit Gupta]

are the root cause of all the trouble, that there is labour trouble and that is the reason why the plant is going in the red.

Therefore, I conclude by asking the Minister that he should either confirm or deny what he has said in the other House, two or three days ago and whether they are prepared to reconsider the whole thing and reconsider it in the light of what the technical people have said.

SHRI S. MOHAN KUMARAMANGALAM: I think the hon. Member knows that I have stated in this House in reply to an unstarred question that we are having a second look into the entire question of the product-mix of the Alloy Steel Plant in Durgapur.

SHRI INDRAJIT GUPTA: The point is that we want a little addendum to that, that the second look should be in the light of the representations which have been made on behalf of the executives and other West Bengal technical people and also with a view to seeing that the original rated capacity of the expanded plan upto 60,000 tonnes of stainless steel products is maintained. That is what we want.

SHRI B. K. DASCHOWDHURY: Today, he will announce something more.

SHRI SAMAR GUHA. Surely, We are expecting after so much of thanksgiving.

SHRI S. R. DAMANI (Sholapur): We have heard the points put forward by hon. Members. It is a fact that the demand for stainless steel is going up because it is being used for industries and also it is being used for domestic purposes. Since production is very limited, we had to import stainless steel from abroad. To save foreign exchange, to create more employment, to make the country self-sufficient, for all these things, it is very essential that production of these items like stainless steel must be expanded.

Now the question arises as to where such units are going to be set up. There are certain basic principles in regard to the setting up of industries. The first basic principle is the availability of raw material. The second thing is transport and communication facilities There should be supply of power and market facilities for the finished products. These are very important items. Apart from that workers' participation and cooperation have to be taken into account. In Durgapur our experience is this. The cooperation extended by Unions in Durgapur is very disappointing.

The plant at Durgapur was conceived at a production capacity of 1.6 million tonnes and from the very inception this plant is running with 50 per cent idle capacity. In the year 1970 this plant had reached the lowest capacity of 30 per cent. The loss incurred uptill now is Rs. 84 crores. This plant is losing Rs. 1 crore per month. On the one side we have this idle capacity and we find that because of this idle capacity the losses are also increasing. Therefore we are pressed with the problem of importing steel from other countries. We are finding it difficult.

The other difficulty here is that there is no cooperation of labour. Nobody knows how many unions are there. If Government enters into some agreement with one union some other union create trouble. This is a continuous thing which happens. Some unions somehow or other, always create trouble, always are on strike, and this affects the smooth working of the Plant and this also the reason for the losses sustained by the plant.

I thought, while moving the Motion, the hon. Member would have assured the House that he takes responsibility for this, that there will be no labour trouble and that the Government will get the fullest cooperation from all the workers, so that the plant may be utilised to its full capacity.

SHRI SAMAR GUHA: Since the hon. Member has referred to me, I would like to say that this is not the occasion for discussing labour-management relations. I am not discussing that question now. This debate relates to an absolutely technical matter, and I have dealt with it in an absolutely technical way in the light of the technical experts' opinion and technical knowledge. I am prepared to discuss the question of labour-management relations whenever it comes up in the House.

SHRI S. R. DAMANI: When Government are going to invest money or when anybody is going to invest money it should be seen that there is a proper return on the amount invested, and whether this return is going to materialise or not.

Only about five days ago, I read in the papers that in the melting shop at Durgapur, 190 workers were on strike, and the project is going to declare a lock-out ..

MR. CHAIRMAN: The subject under discussion is a very limited one.

SHRI SAMAR GUHA: I think he is referring to the Durgapur Steel Plant under HSL.

MR. CHAIRMAN: The subject is a very limited one. So, let not the hon. Member allow himself to wander throughout the realm and complete the whole world of discourse.

SHRI S. R. DAMANI: I realise what you say. But my point is this. If this is the attitude of the workers, then one has to see carefully whether if one invests more money there, there will be more production or not. That is the problem. My contention is that unless the workers become more disciplined, unless the union people give a guarantee that they will improve the working and there will be no trouble, one should not think of any investment there; it is only if the workers and their unions give a guarantee that they will co-operate and behave in a more disciplined way that one should think of investing more money there for the purpose of expansion. Sir, I am not against West Bengal; I am not against Durgapur or any other place. But I only want that there should be proper return on the amount to be invested.

SHRI JYOTIRMOY BOSU: But he is only against the workers.

SHRI S. R. DAMANI: I am not against the workers I shall be very happy if the workers get more. But they should produce also more. Unless they produce more, how can they get more?

I admit that this plant is very important. The demand for stainless steel is increasing, and, therefore, we are meeting the requirements by imports. Therefore, one has to put up this plant at a place where production will expand. That is the only point that I want to make. Therefore, I submit that the question of putting up this plant in this particular area requires to be reconsidered. Otherwise, I agree that all the factors are favourable for Durgapur, because whereas an investment of about Rs. 160 crores would be required here, in other places an investment of Rs. 340 crores would be required, and, therefore, to that extent, there would be a saving if it is invested at Durgapur. All these things are there, and further the market is there, the raw material is there, but my only fear is that there may be trouble from the side of the workers, and our experience of the workers in that area has been very disappointing. So, unless the workers' participation is there, and unless their co-operation is guaranteed, Government should be very careful and the hon. Minister should be very careful before investing further money there and creating more scope for trouble.

*SHRI E. R. KRISHNAN (Salem): Mr. Chairman, Sir, my hon. friend, Prof. Samar Guha has moved the Motion on Durgapur Alloy Steel Plant for discussion and I would like to express my views on behalf of my party, the Dravida Munnetra Kazhagam.

As there is acute shortage of stainless steel in the country and as there is shortage of other steel products also, we are compelled to import them causing heavy strain on our slender foreign exchange resources. I do not think that any hon. Member in this House will object to the expansion of Durgapur Alloy Steel Plant and even for setting up some more new plants in the country in order to meet the growing requirement of steel products. I am constrained to point that though there is acute shortage of steel products in the country, still in black market they are available for a premium. I wonder how this is happening.

In the Fourth Plan Mid-term appraisal, it is stated that production in the Durgapur Alloy Steel Plant is being stepped up and the targets fixed for 1973-74 for alloy and special steels will be possible of achievement by that time. On 16-11-1972 Shri Indrajit Gupta raised this question in this House:

> "Whether the stainless steel capacity to be set up at Salem is at the expense of the present capacity of the stainless steel plant at Durgapur"

I do not know whether the Deputy Leader of the Communist Party in this House, Shri Kalyanasundaram, shares the anxiety of Shri Indrajit Gupta.

Our Steel Minister, Shri Mohan Kumaramangalam replied that the stainless steel capacity of 70,000 tonnes being set up at Salem is without any reference to the question of the stainless steel already being produced at Durgapur. He also stated that the present capacity in Durgapur will not be affected.

Shri Samar Guha also referred to the market survey conducted by the National Council of Applied Economic Research which revealed the requirement of steel products in 1980. Shri Mohan Kumaramangalam stated that bearing in mind the estimated requirement of 1,00,000 tonnes in 1980 the Salem Steel Plant is being set up.

I happened to go through the 1971-72 Annual Report of the Ministry of Steel in which it is stated that in 1970 only 39.6 per cent and in 1971-72 only 43.8 per cent of the rated capacity of the Durgapur Plant had been achieved. It is regrettable that not even 50 per cent of the rated production capacity has so far been achieved in the Durgapur Steel Plant. The Minister has expressed his feeling that the full production of the rated capacity in Durgapur Steel Plant and the production in Salem Steel plant will be able to meet the anticipated requirement of steel products in 1980.

Sir, though the preliminary work on the Salem Steel Plant has been started just a year back, the demand for a Steel Plant in Tamil Nadu has been there for nearly two decades. Salem Steel Plant is just the realisation of the dream of 4 crores of Tamils for the past twenty years. Though the hon. Minister of Steel may hail from Tamil Nadu.

SHRI S. MOHAN KUMARAMANGALAM: Shri Samar Guha made it clear that his demand for an increase in stainless steel production at Durgapur had nothing to do with a consequential demand that there should be any reduction in Salem. I do not think it is fair to imply that he had made any such statement.

SHRI E. R. KRISHNAN: What I am saying is that steps must be taken to achieve full production according to

*The original speech was delivered in Tamil..

the rated capacity of Durgapur Steel Plant. My point is that expeditious steps must be taken for starting the work on Salem Steel Plant. I pay my humble compliments to the hon. Minister of Steel for setting up the Salem Steel Company which has been entrusted with the execution of the project expeditiously I request the hon. Minister to ensure the completion of the project within the targeted period I would also request the hon. Minister to take steps for the increased production of steel products which are in great short supply throughout the country. Only when the production is stepped up and the steel products are made available in plenty, the black-marketeering in them will disappear.

With these words, I conclude.

SHRI VASANT SATHE (Akola): When I heard the motion moved by my hon. friend Shri Samar Guha I was a little surprised because although ostensibly it appears that this is purely for the expansion of production in Durgapur steel plant of stainless steel it has some reference to other expansions in the field of stainless steel. He has clarified it further by saying that he has no reference to Salem. But one can read between the lines. We shall take him at his words that he has no reference to Salem and that he is not against Salem. Therefore, my submission is that as far as the Salem steel plant is concerned it has come to stay, it must go on with the fullest capacity at the rated speed and achieve the desired target.

MR. CHAIRMAN. There is no dispute over it.

SHRI VASANT SATHE: I just wanted to emphasise that point. What surprised me is that the resolution says: 'That this House is of opinion.. ..instead of expanding it for production of unprofitable seamless tubes.' It is at the end that the crux of the matter comes. Should it be left to the discretion of the experts in the ministry? Who has to decide whether it is more profitable to produce seamless tubes or 60 000 tonnes of stainless steel?

[illegible] KRISHNAN The point is simple: attain the target of 60,000 tonnes stainless steel and then start further expansion.

SHRI VASANT SATHE Ultimately it is a question of economics and profitability. If the Ministry, after examining the issue, had come to the conclusion that you should go in for the production of seamless tubes because they are more profitable, does Mr. Samar Guha suggest that profits be thrown to the winds, economics be thrown to the winds?

SHRI SAMAR GUHA The hon. Member was not here I have made a comparative study I have made a comparative analysis

SHRI VASANT SATHE You can explain your stand when you reply. Who would normally quarrel with the proposition that the target should be reached? When you have reached a particular stage, normally efforts should be to reach the target. *Prima facie* there can be no quarrel with this. Obviously when the Ministry has found that it is difficult to reach a target and that there are certain economic difficulties inherent in the process and that the production of something else is more profitable what quarrel can there be? I do not understand this point.

As I said, although *prima facie* there can be no quarrel with this proposition that we should first try to reach the target which was placed before us, this must essentially be left to the experts. Ultimately it is they who are answerable. We cannot hold the ministry to say, "You must do this, economics or no economics." I do not

[Shri Vasant Sathe]

think that would be a very wise proposition to make.

SHRI INDRAJIT GUPTA: There are some experts in the plant also.

डा० लक्ष्मी नारायण पांडेय (मंदसौर): श्री समर गुहा के प्रस्ताव के साथ म सशोधन के रूप मे यह जोडना चाहता हू कि सरकार ने अपनी घोषित नीति के अनुसार कार्य नही किया है। सरकार यदि अपनी घोषित नीति के अनुसार दुर्गापुर कारखाने मे हो रहे घाटे को ठीक करे, वहा उत्पादन बढाने की दिशा म उसके साथ साथ जितनी एलाइड इन्डस्ट्रीज हो सकती है, उसके बारे म विचार करे तो मै समझता हू कि श्री समर गुहा ने जो बात अपने प्रस्ताव मे रखी है, उसकी पूर्ति हो सकता है और स्टेनलेस स्टील के उत्पादन का काम भी योजनानुसार हो सकता है।

मन्त्री महोदय ने बजट पर चर्चा के दौरान अपना भाषण दिया था। उस भाषण के दौरान उन्होने कहा था कि दुर्गापुर म उत्पादन इसलिए घटा है कि उसका प्रबन्ध ठीक नही है और उस प्रबन्ध का ठीक करने का वह प्रयत्न करेगे। यह एक मुख्य बात थी जो उन्होने तब कही थी। उन्होने कहा था कि निरन्तर घाटे के साथ साथ उत्पादन निरन्तर गिरा है। उन्होने सदन को आश्वाशन दिया था कि उत्पादन को बढाने की दिशा मे तथा प्रबन्ध को ठीक करने की दिशा मे वे उचित कदम उठाएगे। उन्होने यह भी कहा था कि रेटिड केपेसिटी जो इस कारखाने की है उस केपेसिटी के अनुसार कार्यहेतु वह निरन्तर प्रयत्नशील रहेंगे। दुर्गापुर कारखाने के विस्तार की चर्चा बगाल के मन्त्री श्री घोष के साथ भी उनकी हुई थी और उस चर्चा मे परिवहन मन्त्री श्री राज बहादुर भी सम्मिलित हुए थे। तब यह कहा गया था कि दुर्गापुर का इस्पात कारखाना केवल बगाल की आर्थिक स्थिति को सुधारने तक सीमित नही है बल्कि देश की आर्थिक प्रगति और देश की औद्योगिक प्रगति पर भी असर डालने वाला यह कारखाना है और उसी दृष्टि से इसको देखा जाना चाहिए। मन्त्री महोदय ने यह भी स्वीकार किया था इस कारखाने के रास्ते मे निरन्तर रुकावटे आई है और कभी बन्द रहने और कभी खुलने के कारण जो कई बार हुआ है, पचास करोड रुपये की इसको हानि उठानी पडी है और उसके साथ साथ इसका उत्पादन भी गिरा है। मै आपको बतलाना चाहता हू कि तब मन्त्री जी ने दुर्गापुर के एलाय स्टील क कारखाने के विस्तार की बात भी कही थी। उक्त बात उन्होने मार्च मे स्वीकार की थी। बाद मे जुलाई म जाकर उनको पता लगा कि ऐसा करना सम्भव नही होगा क्योंकि यह एक अलाभकर बात होगी। म जानना चाहता हू कि व कौन से कारण थ जिनकी वजह से आप इस निष्कर्ष पर पहुचे कि ऐसा करना अलाभकर होगा जो आपकी घोषित नीति थी और जिसके अनुसार आप वहा पर स्टेनलेस स्टील का उत्पादन निर्धारित लक्ष्य के अनुसार करना चाहते थे उसको आप करना नही चाहते है, इसके कारण भी यदि आप बता दे और इस सदन को सतुष्ट कर दे तो मै समझता हू कि प्रस्तावक महोदय का जो भाव है, उसकी पूर्ति हो जाएगी।

मै आपको याद दिलाना चाहता हू और आपसे निवेदन भी करना चाहता हू कि देश मे स्टेनलेस स्टील की बहुत कमी है। हम सैकडो टन माल बाहर से मगाते है और काफी मात्रा मे विदेशी मुद्रा उस पर खर्च करते है। एम एम टी सी या जो भी सरकारी ऐजेसी बीच मे आती है वे कितनी भारी कितना भारी मुनाफा ले रही है उसमे मै जाना नही चाहता हू। एम एम टी सी कितना मुनाफा कमाती है उसके विस्तार मे जाने का अवसर नही है लेकिन सात रुपये किलो खरीद कर 27 रुपये मे बेचकर जो एम एम टी सी मुनाफा कमाती है, उससे जरूर पता लगता है क सरकारी उपक्रम भी भारी मनाफा लेते हैं।

इसकी वजह सेम्माल स्केल इडस्ट्रीज जो मफर कर रही है और जिनको पर्याप्त मात्रा मे तथा उचित मूल्य पर यह नही मिल रहा है। एम एम टी सी की नीति के कारण बडे व्यापारी लाभ उठा रहे है क्योकि उसकी नीति के अनुसार कोई भी छोटा व्यापारी 100 टन का एक साथ आर्डर नही दे सकता। अतः यह जरूरी है कि हमारे देश के कारखानो मे उसका निर्माण हो, दुर्गापुर मे करना चाहते है तो वहा करे और अन्यत्र करना चाहते है तो वहा करे। वैसे दुर्गापुर को प्राथमिकता प्राप्त है जैसा प्रस्तावक महोदय ने कहा है। वहा तकनीकी ज्ञान उपलब्ध है, मशीनरी सारी उपलब्ध है। यदि हम किसी दूसरे कारखाने मे इसका उत्पादन करते है तो साढे तीन सौ या साढे चार सौ करोड की आवश्यक्ता हमे लगी लेकिन अगर हम दुर्गापुर मे इसको करते है तो पचास करोड या सौ करोड रुपया ही हमको और लगाना पडेगा और हम उतना ही उत्पादन कर सकेगे जितना अन्यत्र तीन गुना या चार गुना इनवेस्ट करके कर सकेगे। जिस कारखाने मे ऐसा करना लाभकारी हो सकता है वही इसको करना चाहिए और मैं समझता हू कि इस दृष्टि मे दुर्गापुर को प्राथमिकता प्राप्त होगी। इस वास्ते कोई कारण नही है कि सीमलैस ट्यूबज के साथ साथ स्टेनलेस स्टील का भी उत्पादन वहा प्रारम्भ न करे या उसको न बढाए।

यह सही है कि दुर्गापुर या सेलम के कारखानो का लाभ उन्ही प्रदेशों तक सीमित नही है। वहा तो यह नाम के वास्ते हो सकते है। लेकिन इनका सम्बन्ध हमारी देश की औद्योगिक प्रगति के साथ है। इस वास्ते निरन्तर जो उत्पादन मे गिरावट आई है स्टेनलेस स्टील और स्टील आदि के उत्पादन मे जो गिरावट आई है उसको रोका जाए और उत्पादन इनका बढाया जाए। वैसे इस सरकार की स्टील सम्बन्धी कोई स्थिर नीति नही है। स्टील के आयात मे भी प्रतिवर्ष वृद्धि होती रही है। उसके कारणो मे भी हमको जाना पडेगा। जहा पिछले साल इसका आयात सात लाख टन हुआ था वहा इस साल दस लाख टन हुआ है। इस कारण से विदेशी मुद्रा भी हमको ज्यादा खर्च करनी पडी है। इसकी तो हमे चिन्ता होनी चाहिए लेकिन जो सबसे बडी चिन्ता वाली बात है वह यह है कि देश म स्टील प्रोडक्शन मे गिरावट आती जा रही है, हिन्दुस्तान स्टील, दुर्गापुर, राउरकेला, आदि जो सस्थाए है उनका घाटा निरन्तर बढता जा रहा है। कुल मिलाकर हिन्दुस्तान स्टील मे। अरब 70 करोड का घाटा हो चुका है। इतना घाटा उठाने के बाद भी हम देश मे आवश्यकताओ के अनुरूप स्टील का उत्पादन नही कर पाए है, पच्चीस वर्ष मे भी हम इस स्थिति तक नही पहुच पाए है कि हम अपनी आवश्यक्ताओं के अनुरूप इसका उत्पादन कर सके। अगर हम स्टेनलैस स्टील की आवश्यक्ताओ को देखे तो मैं समझता हू कि दस वर्ष के बाद हमे एक लाख 25 हजार टन से ऊपर की आवश्यक्ता होगी। इसके विपरीत आज दर प्रतिशत भाग भी हम उत्पन्न नही कर पा रहे है। इस वास्ते यह जरूरी है कि उत्पादन हमारी आवश्यक्ताओं के अनुसार हो। अपनी आवश्यक्ताओं की पूर्ति के लिए तथा निरन्तर जो गड़बड़ी इन कारखानो मे चल रही है जिसके कारण काम ठीक नही हो पा रहा है, रेटिड केपेसिटी पर काम नही हो रहा है, लेबर अनरेस्ट है तथा दूसरी बाते है जिनकी तरफ हमे विशेष ध्यान देना होगा। राउरकेला मे छत गिर जाने की बात भी पुरानी हो गई है वह कोई नई बात नही है। काफी समय हमने नष्ट किया है लेकिन हम स्थिति को सभाल नही पाए है। आप प्रबन्ध को सुधारे, कारखाने के स्तर को सुधारे, प्रोडक्शन बढ़ाऐ। देश की आवश्यक्ताओं के अनुरूप स्टील का उत्पादन बढ़ाने के साथ साथ प्रस्तावक महोदय ने जैसा कहा यदि दुर्गापुर को प्राथमिकता

[डा लक्ष्मी नारायण पाण्डेय]

प्त होती है तो उसमें स्टेनलैस स्टील का योजनानुसार उत्पादन किया जाय और सेलम और दुर्गापुर मे स्पर्धा इस आधार पर हो कि कौन ज्यादा उत्पादन करता है और कौन कम कीमत मे माल तैयार कर सकता है। इस आधार पर बढ़ावा मिले तो अच्छा है। लेकिन आप दुर्गापुर के लिए वचनबद्ध है और इस वास्ते आपको इसको स्वीकार करने मे कोई कठिनाई नही होनी चाहिए। आप घोषित योजना के अनुसार काम करें। स्टील सम्बन्धी नीति को व्यावहारिक रूप दें। इतना ही मेरा आपसे निवेदन है

SHRI JYOTIRMOY BOSU: Sir, the stainless steel plant at Salem which, fortunately, also happens to be the birth place of the hon. Minister, there is nothing unwelcome about that plant We welcome this plant, which has a target of 100,000 tonnes.

SHRI S. MOHAN KUMARAMANGALAM: An irrelevant statement.

SHRI JYOTIRMOY BOSU: But the demand, as assessed by this government, for stainless steel by 1980 comes to about 1,20,000 tonnes. The maximum targeted production of Salem in terms of tonnes does not exceed 1 lakhs tonnes. Where have we seen any plant which has reached the target? The highest average it touches is about 69 to 70 per cent. There is a very big gap between supply and demand. In reply to a short notice question in August 1972 the hon. Minister stated:

> "It had been decided in March 1971 that the schemes of expansion of the Durgapur Alloy Steel Plant would include production of stainless steel."

He also admitted that Dastur & Company had observed that the second stage of production at the Durgapur Alloy Steel Plant should include the production of stainless steel. In spite of this, I do not quite understand why there is a quarrel that the Durgapur Plant should be run down. Why should that issue be raised at all, a feeling going round the country that there is a section in West Bengal or in Bihar which is nearer to Durgapur and that they do not allow the Salem Plant to come up? I can say once again that the Salem Plant is welcome. We wish all prosperity for the Salem Plant and for the people of Salem there.

But what is the position? This country does not produce even one per cent of the world's total production of stainless steel. We are entirely dependent upon imports and foreign and Indian monopolists have plundered There has been a serious scandal This is what the Estimates Committee Report, Twentieth Report of Fifth Lok Sabha says about Alloy Steel Plant expansion:

> "To meet the increasing demand for alloy steel, particularly cold rolled stainless steel sheets, the expansion of alloy Steel Plant, Durgapur, from the present capacity of 60,000 tonnes of finished steel to 180,000 tonnes has been approved The Central Engineering and Design Bureau have been entrusted with the work of preparing the Detailed Project Report for this expansion programme."

Then, the Steel Ministry's latest Report that we have of which the hon. Minister, I hope, is the author, says:

> "To meet the increased domestic demand for tool, alloy and special steels, the Government has approved in principle, the expansion of Alloy Steels Plant, Durgapur, from the present capacity of 100,000 tonnes of ingots (60,000 tonnes finished steel) to 300,444 tonnes ingots (1,80,000 tonnes finished steel). The Central Engineering and Design Bureau of Hindustan Steel Limited have been entrusted with the work of preparing a detailed project report for this expansion"

This is the latest Report of the Steel Ministry that we have before us about stainless steel.

There is nothing which stands in the [illegible] pu[illegible] it to have its share of business and the Salem plant to start and prosper. What will happen? Here is the newspaper report which says:

> "The decision of the Union Steel Ministry to freeze production of stainless steel in the expansion phase of the Alloy Steels Plant altering the earlier decision has been a shock to a group of entrepreneurs who had purchased land here and started negotiations with the authorities for setting up small industries."

West Bengal today is in deep crisis in the field of creating new job opportunities. Keeping that in mind, if this Government is guided by political considerations that Durgapur Alloy Steel Plant should not be allowed to expand, we condemn it. We condemn it once again. I request the hon. Minister to tell us here and now why is it that all these things that are quoted from official documents were reversed if they had no political designs in their mind? I would once again request the hon. Minister to allow the Salem Plant to grow and, at the same time, do what was committed, what was proposed and finalised for Durgapur Plant.

THE MINISTER OF STEEL AND MINES (SHRI S. MOHAN KUMARAMANGALAM): Mr. Chairman, Sir, May I first of all express my gratitude to all those Members who have participated in this discussion of a very important problem facing not only Bengal but facing our country? We are anxious to see that the production not merely of stainless steel but of steel of all kinds, of alloy steel, carbon constructional steel silicon and stainless steel is established. The question of expansion of Alloy Steel Plant in Durgapur has obviously to be taken in the background of the general needs of the country. The Alloy Steel Plant itself is a very important plant of great strategic importance to the steel industry in our country.

I entirely agree with the hon. members who have stressed that the plant must grow, must expand. I have made it clear on more than one occasion that the Government is committed fully and irrevocably to a decision to expand the Alloy Steel Plant to 300,000 tonnes and we are not going back on that. This also, I think, answers the general point made by my friend, Mr. Indrajit Gupta, when he referred to the need to develop modern sophisticated industries in Bengal, breaking away from what he called, I think, colonial tradition. (*Interruption*) Naturally, therefore, the decision of the Government to expand the Alloy Steel Plant in Durgapur to 300,000 tonnes is a decision which, I think, is in line with his own thinking and, I think, in line with the thinking of all the members of this House, whether they be on this side or on that side.

Now what I would like the hon. members to appreciate first of all is—and to disabuse my friend Mr. Jyotirmoy Bosu—that, in taking different decisions at different times, we have not been guided by what he called 'political considerations'. I am not sure what he means by 'political considerations'. But in a way if he is thinking that we were looking at him and deciding, I can assure him that we were not. We were only looking at the plant and what is available from the plant and what we can do with the plant for the future, and we do not take him and his friends into consideration when deciding these matters.

The first question which I would like to deal with is....

SHRI JYOTIRMOY BOSU: You take Mr. J. R. D. Tata into consideration.

SHRI S. MOHAN KUMARAMANGALAM: I think, it is better that the hon. Member please listen to me patiently? We always listen to him. I may not appreciate many things that he says, but I listen to him very patiently.

SHRI JYOTIRMOY BOSU: I am very thankful to you for that.

MR. CHAIRMAN: The word 'patience' is not in his dictionary.

SHRI S. MOHAN KUMARAMANGALAM: I am trying to help him to improve his vocabulary.

Hon. Member, Shri Indrajit Gupta, implied that we had gone back on the original decision in the project report of Dastur & Company for expansion of the Alloy Steel Plant because expansion to 300,000 tonnes necessarily included the product, stainless steel. The hon. Member is not entirely correct in making that statement. No doubt that could have been and that may well be, even in future, one of the lines of expansion; that is to say, stainless steel may be found as appropriate to be included in the product mix for the Alloy Steel Plant. The hon. Member, I am sure, will be interested to know that even as late as 9th March 1970, Dr. M. N. Dastur wrote as follows in relation to expansion:

> "Considering the demand for various types of alloy steels in different categories and tonnages, a number of alternatives are possible in respect of the product mix, the planned capacity, the production facilities and investment requirements. Only a detailed study will throw up the implications of the various alternatives to identify the optimum scale. In fact, such a study will lead to equip an appropriate decision to be taken on the expeditious and economic implementation of the project."

This is the statement he made in his letter. He has made no statement there that the product mix for the expanded plant must necessarily and unconditionally include stainless steel. Therefore, when the hon. Member suggests that we have gone back on a proposition put forward by Dastur & Company and adopted some proposition of our own, he is not correct. We were examining what should be the product mix of such expansion and even in the letter addressed by the Secretary of Industrial Development, Shri Swaminathan in 1967,—I think it was referred to by my hon. friend, Shri Samar Guha,—what he has stated therein is that it is necessary to expand Alloy Steel Plant. In fact, the question there was regarding the actual product-mix which should be decided. In general, a decision was taken that a project report should be drafted for the expansion of the Alloy Steel Project and that is all that was decided at that time. There it ends. There was no firm or final decision that stainless steel must be included in the product-mix. Hon. Members, I think, misunderstand me that I have said that stainless steel should not be included. I have not said that. What I am stating is that the final shape of the product-mix of the Alloy Steel Plant in Durgapur with the expansion of the plant was not made dependent and conditional only upon the stainless steel. We will not expand unless we have stainless steel or the expanded plan must include stainless steel—this was not a proposition that was laid down at any stage.

SHRI INDRAJIT GUPTA: Was it not a proposition on 6th March, 1971? You are saying 'at no stage.'

SHRI S. MOHAN KUMARAMANGALAM: If you find that I have not covered that point, you are at liberty to interrupt, but allow me to conclude.

I am only at the stage when you started very early at the history and you have forced me to go back and I am dealing only with the early history. I will come to later history. Therefore, the proposition I am putting before the House and the factual statement that I would make is that the product-mix as envisaged for the expansion of the Alloy Steel Plant at Durgapur prior to March 1971 had not been determined which is contrary to what you said. The first determination was made in 1971....

SHRI SAMAR GUHA: I am interested in the future. As far as possible, I have avoided the past..... (*Interruptions*) That is the reason why I have avoided as far as possible the past.

SHRI S. MOHAN KUMARAMANGALAM: When I get support from unexpected quarters, it is always welcome.

Let us proceed to the next stage of the argument. What did happen in March 1971? In March 1971 a decision was taken in the Ministry of Steel in a meeting attended by a number of senior officers, as the hon. Members have already pointed out, to expand the plant from 100,000 tonnes to 300,000 tonnes—for defence requirements—20,000 tonnes, 30,000 tonnes forforge and stainless steel—60,000 tonnes and 90,000 tonnes to be left to be determined in the next phase of the expansion programme. I think it was my friend, Mr. Halder, who pointed out to me that the Steel Secretary had stated:

> "On the basis of the data available, the CEDB can go ahead with the preparation of the detailed project report for increasing the capacity from the existing level of 100,000 tonnes to 300,000 tonnes".

and then the product-mix was described. That was a decision taken on the existing data available. Obviously, it is a decision which, though the hon. Members wants to say, 'It is a firm decision'—firm' is his own and he is welcome to it—I do not find this was any firm or final decision. Every decision can be revised if new facts come to light. In the past it was so revised. Even the decision of July 1972 has also been revised on the basis of new facts that have come to light. Therefore, it was as firm or lacking in firmness as many other decisions where technological matters are concerned because in technological matters, when matters are changing rapidly, it is always better to keep an open mind and not close it.

17.00 hrs.

Now, Sir, with all my respect for my hon. friend on the other side, who made the most reasonable speech I have ever heard from him,—that is, Prof. Samar Guha,—unfortunately, sometimes I find, he suffers from what might be called close mindedness. So, I would only appeal to him to open that mind a little.

SHRI SAMAR GUHA: I have always a constructive approach. My mind is never closed. But whenever there is a fight, I know how to fight.

SHRI S. MOHAN KUMARAMANGALAM: That is very dangerous. It is exactly when you are in the middle of a fight that your mind must be very open and flexible, moving this way and that way; otherwise you get knocked down very easily. You must leave room for manoeuvrability, flexibility and so on. But, let me go on. First of all, let me make one thing clear.

Do not think that the decision that was taken later is a decision taken by any-the-less high-powered committee than the earlier one. Because my friend Mr. Samar Guha appreciates, likes and applauds the decision of March, 1971, therefore, the gentlemen who took that decision are

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worthy to be praised to the skies, as the most eminent, technologists, the most wonderful bureaucrats, the most this and the most that, and, because the decision of 1972 is the one that he does not like, immediately, the gentlemen who took that decision are follows who know nothing, who are ignorant, who are bureaucrats who never look into things and so on and so forth. But what happens if some of them are the same people? Can you describe them with one adjective because they took a decision in your favour and another set of adjective because they took a decision against you? But, that is exactly the position.

The hon. Member may appreciate that many of the persons who participated both in the earlier meeting and the later meeting are common. Some are different, because, the Chairman of the HSL had changed. But, the hon. Member knows the old Chairman and the new Chairman and he knows also that the new Chairman had no antagonism to alloy steel plant and therefore he will not be offended at the new Chairman participating in the meeting. All those who should participate in the earlier meeting so participated; all those who should participate in the later meeting so participated. It was not a hole-and-corner discussion of a few people brought together to give a manufactured and concocted decision according to the wishes of A, B, or C, or for any outside extraneous motive. It was the same set of people in terms of the positions they occupied, namely, the Secretary of the Department, the Chairman of HSL, the Technical Adviser and so on and so forth I think it is not necessary to mention all the names, as we should not put them in issue. I only want to assure hon. Members that we did not, sort of, cook up the second committee which could reverse the views of the first committee. That was not done. I would appeal to hon. Members to accept my assurance on that.

Now, let me go to this point: Why is it that the change took place? Right or wrong, what were the reasons which guided the Department, those engineers and Chairman and all those who participated in the discussion, to change the product-mix, as originally planned? The first thing that I would like to mention is this. In the March. 1971, discussion, they did not take into consideration the need of the country for seamless tubes. And, the need is great, it is not just a minor matter, so far as seamless tubes are concerned. It is a very substantial amount. Our annual imports are in the region of Rs. 10 to Rs. 12 crores. Some seamless tubes have to be made from alloy steel blooms, some from mild-steel blooms. We came to the conclusion that Alloy Steel Plant was the best place where we could set up our seamless tube plant the reason being that we can take the mild steel-blooms from Durgapur Steel Plant and we can take the alloy steel-bloom from the Alloy Steel Plant. Therefore we decided that alloy and constructional steel must be produced to the extent of 1.74 lakh tonnes because 75,000 tonnes of alloy constructional blooms were necessary for the production of seamless tubes. This is the first reason.

The second reason is that, according to the estimates made by the National Council of Applied Economic Research, the expansion must be in the sphere of stainless steel production by way of flat products and this requires a semi-continuous hot-strip mill and slabbing facilities. Unfortunately, the existing blooming mill in the Alloy Steel Plant which has the capacity to produce 240,000 tonnes of blooms,—though today it is producing much less, because the production of ingots itself is much less,—and handsheet mill, would not be adequate for the increased production. And it would not be possible to make full use of the semi-continuous hot strip mill at ASP

unless you have a completely different production facility in Durgapur. Therefore, we decided that it would be better to put up a semi-continuous hot strip mill in Salem rather than in Durgapur.

Thirdly, positively—the other consideration being negative, I may alloy steel plant, cannot produce ing fully the blooming mill capacity in the alloy steel plant, which could be done if additional alloy constructional blooms and carbon constructional blooms were produced in Durgapur.

Fourthly, the primary mill at the alloy steel plant, then the technology slabs wider than 40 inches. I had made this point earlier also. The finished steel sheets would therefore be limited to about 36 inches width. Wider sheets and strips which are required for the chemical industry cannot be produced at the alloy steel plant. These limitations would not be there at Salem, because with the introduction of continuous casting we should be able to produce slabs up to 56 inches width, and that means that we would be able to serve the purposes of the chemical industry in this area.

Then, another consideration was that if we were to produce a larger tonnage of stainless steel at the alloy steel plant, then the technology at the alloy steel plant itself has to be changed, and probably we would have to introduce a more modern technology, what is called, the vacuum de-carburising technology. These are the points which actually have guided us in coming to this decision, and I think that it is not an unreasonable decision. But then hon. Members will ask me and legitimately ask me 'You came to this reasonable decision in July, and how is it that in November you have set aside that reasonable decision and you are having a second look? What is the motive that has driven you to this?'

To that, I must answer that there are really two reasons. The first is that recently, two delegations headed by the Steel Secretary have visited Western Europe and the United States on the one hand and Japan on the other, and in the course of their visits, they have found that what I would call the technology so far as stainless steel is concerned, and so far as alloy steel even is concerned, has quite substantially changed, that is, the steel-making technology itself And we felt after getting their report, or rather the HSL felt, that it would be useful to send a team of officers from the CEDB and the ASP to the steel plants in Europe and Japan to study in detail the feasibility of implementing these suggestions, particularly in relation to the ASP in Durgapur. The report of this study team has not been received, but we intend to have a re-look and a review of the position in relation to the ASP, taking into consideration the detailed report that we would get from them.

Then, the second thing also really arises out of these visits. The National Council of Applied Economic Research had estimated that the demand for stainless steel by 1980 would be 117,000 tonnes. The Ministry, after going into it in detail and discussing....

SHRI SAMAR GUHA: By 1980?

SHRI S. MOHAN KUMARAMANGALAM: The hon. Member was talking of the position by 1985. I have noted that.

The Ministry, after going into it in some detail and discussing all the different aspects involved came to the conclusion that 117,000 tonnes would be an over-estimate and 100,000 tonnes would be enough, and if we took 70,000 tonnes allotted to Salem plus 13,000 tonnes that should be produced in Durgapur though unfortunately it is not being produced there,

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plus what the other firms like Mahindra Vgine would be producing, we come to nearly 100,00 tonnes. Therefore, there is really no scope for further expansion of stainless steel. But what the steel delegation that went abroad came back and told us was that a number of different nickel-free varieties of stainless steel were finding increasing application, and therefore, we thought it right to reopen the question of the demand for stainless steel and see whether it was not possible, or I would not say it was not possible but whether it was not necessary for us to plan for a bigger production of stainless steel. As a matter of fact, we are even now intending to set up in the Salem Steel Plant as well as the ASP a product-development cell to propagate the use of stainless steel as a substitute for certain other metals.

It is suitable for so many uses. If we are able to do that, I think the present assessment of the amount of stainless steel we need probably will be found to be a substantial underestimate and we will need more. That may result in leading us to the conclusion that we may increase Salem a little more and also put in something in ASP and give certain types of stainless steel which can be more easily produced to ASP—give them there. I do not anticipate; I do not prophesy. But I would like to assure hon. members, including Shri Samar Guha, that our mind is very open in this matter. We have not got any prejudices or biases and we have only in front of us the interest of the country as well as of the plants which should be run at optimum viability from the point of view of the plants themselves as well as from the point of view of the nation.

Now I might mention the technical developments which have taken place, because I think Shri Indrajit Gupta wanted these specific technical developments to be mentioned, probably feeling doubtful as to whether I was not sort of bringing up technical developments as an excuse to justify the decision I am taking. They are these: The application of vacuum degassing for the production of alloy steel. This will improve the productivity of the arc furnaces in ASP and we think if we are able to introduce this new process, there will be a substantial improvement in ASP. Then what is called the single slag technology in melting alloy steel. This will actually reduce the tap to tap time of the arc furnace and generally contribute to increased productivity.

Now it is a view of the steel delegation, which I do not give as a final view, put before Government which we are now going to examine that the ingot production of ASP, even as it exists today, can be increased from 100,000 tonnes to 150,000 tonnes on the basis of the application of some of the new technology. What will be the consequential result, both economically and technologically, in relation to the product-mix is something we are examining. This is also commenting upon it. In the detailed This is what I would like, first of all, therefore, to make clear, that these are the various considerations that have guided us in the decisions that we have taken.

I would also like to mention something about the hand sheet mill which the hon member, Shri Samar Guha, was particularly,—I would not say hard on—drawing pointed attention to—I think that will be a fair way of commenting upon it. In the detailed project report for the alloy steel plant, the original production indicated was 18,000 tonnes of stainless steel—13,000 tonnes flat products and 5,000 shaped products. Due to technological difficulties in the hand sheet mill—it is a hand fed mill and not hand-driven—only 5,000 tonnes of flat products would be feasible and the total production feasible is 13,000 tonnes. The actual production in Durgapur has been well below that. The highest production of stainless steel has only been 3,000 tonnes. It is

not the hand sheet mill alone which is to be blamed; it is also our incapacity to raise production that is responsible There are various reasons. I will have a word about that a little later. But what I would like hon. members to appreciate is this, that it is not merely the introduction of stainless steel that is going to change the position in Durgapur. Let us be quite frank about it, because high speed steel and tool steel are even more profitable than stainless steel, and they are also in the product-mix. The seamless tubes plant, which in the picturesque language of my hon. friend, Shri Samar Guha, is to be buried—he did not say fathoms deep, but he proably meant it—is also there and is a profitable project, if we introduce it in Durgapur which was our original decision and which, I anticipate, will probably be kept to. In fact, I would like to give an assurance that I am not going to bury it either fathoms deep or even one fathom deep, because we do need it. The demand by 1978-79 for seamless tubes is likely to be somewhere in the region of 130,000 tonnes and the current installed capacity is only 50,000 tonnes.

We believe that we want to put it in Durgapur. Apart from the fact that it will be used all over the country, because of the availability of mild steel and alloy steel blooms there, as I mentioned earlier, we have no doubt that the seamless tubes plant is not an uneconomic proposition but it is one that is going to be quite profitable from the point of view of A.S.P. in Durgapur. But I am not telling those who are having a second look at it that you must have it there. I say: have a look at the whole thing. We are not inhibiting them: you must look at it only from this way or that way. I am only telling you my own personal opinion that it would be wrong and short-sighted on your own part, on the part of those who have the interest of the A.S.P. at heart to look askance at the seamless tubes plant. They are not mutually exclusive. Setting up of the seamless tubes plant in Durgapur and the inclusion, if found profitable, of stainless steel in the product-mix of Durgapur are not mutually exclusive. It is possible they may both live together.

What may be the most advantageous product-mix, I do not know. I do not want to pre-judge what this group that is going into it is going to examine. I shall only say: we have our mind open on the matter; we are not committed in any way either in favour or against the product-mix which could well include both.

I do want to assure the hon. Member, or rather I do want to make it clear, that I am not prepared to give any undertaking whatsoever that the seamless tubes plant will not be placed in Durgapur. We had that intention and very likely at the end of the entire exercise we will probably repeat that intention.... (*Interruptions*) None of my officers will be guided by what I am saying: I hope you will be, not they. They are much more independent than you and I are. They will, I am sure, look at it as technologists will look at it, free of the observations of both inexperienced but intelligent people like you and me.

So far as the product-mix for the future is concerned, I think it was my friend Shri Daschowdhury, who said that if we have the stainless steel plant in the A.S.P. we shall break even at 52 per cent and if we have stainless steel in Salem we shall not break even unless it is 250,000 tonnes, and that too at Rs. 340 crores and that too at 90 per cent utilisation. The hon. Member is not right in his facts. I do not know the basis on which the association arrived at 52 per cent. My hunch, my guess is that they have taken the present commercial price in the market for stainless steel to arrive at that figure. For our figure in Salem we have

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taken the selling price of stainless steel at Rs. 13,000 per tonne. The market price today is somewhere between Rs. 25,000 and Rs. 30,000 per tonne. I believe they have taken Rs. 25,000 or Rs. 30,000 as the selling price and had come to the conclusion that at 52 per cent capacity we shall be able to break even. I think Salem also will do that if we take it at Rs. 25,000 to Rs. 30,000 because the CEDB have examined what would happen if we expand stainless steel in the Alloy steel plant and have advised us that at 90 per cent capacity there also the March, 1971 product-mix would not lead to profit. I want to make clear this position. I do not want to pre-judge. You are unfortunately making me to go into the past. When I am making this statement kindly do not think that I am saying that we should not have stainless steel plant at A.S.P. I do not say that. The field is totally open today to examine what would be the most appropriate, the most profitable product-mix for A.S.P. from the national point of view, from the point of view of the concern itself.

I think this covers almost all the points raised by hon. members. I would most sincerely appeal to hon. members opposite, particularly Mr. Jyotirmoy Bosu—in his usual way he is always happy to listen to himself and not ready to listen to others and he is not here now—we have no political motivations in this matter. At the same time, I would appeal to them that it is necessary, if we are going to expand the ASP in Durgapur, that we have got to make a better showing in the working of the plant itself. I have been told by numerous persons in the international steel industry who come to our country whether from the west or the east, whether from the socialist countries or capitalist countries, that one should not ordinarily think of expanding any plant until we reach at least 85 to 90 per cent production of rated capacity of the plant. They ask me, "How is it you are going in for expansion of some of these plants even before you have reached that rated capacity?" My answer is, confidently I say, though Dr. Laxminarayan Pandeya doubts it that we will reach 85 to 90 per cent production. We have got our targets clear and we hope to be able to achieve it. Now, what does it mean in terms of ASP? The rated capacity of ASP is 100,000 tonnes, but we have only produced 65,000 tonnes in 1969-70, 50,000 in 1970-71, 56,000 in 1971-72 and April to October 1972 only 34 000. Obviously, this is not a very happy state of affairs. Certainly I would appeal to hon. members who have participated in this discussion to help the Government, the management, labour, technologists and officers to see to it that we get better results out of the plant.

Hon. members have sometimes suggested that in my statement on this I have tried to ascribe too much of responsibility to labour. I think it will be wrong, considering particularly how strongly I feel about the future of the plant. We must get the very best out of it; it is very crucial from the point of view of the development of our national economy. Hon. members must appreciate that there are occasions when very unreasonable positions are taken up in Durgapur by labour and it is necessary that all of us should try to see that such things do not happen. Let me give an instance. I am reading from the Telex message I received yesterday:

> "On the 1st December, about 25 workmen staged a demonstration before the Assistant Superintendent regarding withdrawal of the wage deduction letters issued to two of their colleagues for refusal of the job assigned to them. Their demand was, they would carry out the instructions from the Assistant Foreman only and not from

the actual controlling officers who are of the higher rank."

It means, I will not take instructions from persons higher up but only from the person lower down and when the person lower down is not there, then I will not take instructions at all! This is the type of situation we are facing in the ASP and we have it in the Durgapur steel plant also. A number of sporadic clashes of this character on very minor matters occur, whether 8 people should be working or 7 people should be working, etc. The management may be wrong in issuing a particular instruction and we may not be having adequate men in a particular department. But such things should not lead to actions that disrupt production. I appreciate what Mr. Indrajit Gupta said that the very active interest taken by the workers, the technologists and the officers of the ASP in the product-mix controversy has been a very positive feature and I do not look upon it in a negative way at all I have no doubt that in coming to whatever decisions that Government does come to about the product mix for the future, the trade unions and the officers and all others will have their say

We shall take whatever they have said into consideration before coming to a decision. It is wrong to imply, as my friend, Shri Indrajit Gupta, did, that we never gave any attention to what has been said by the technologists of the Alloy Steel Plant. We did. But when we are giving attention to what they say, we are also entitled to differ from them. If we differ from them on the basis of an overall review, it does not mean that we are doing something wrong. It only means that our approach to the problem and their approach to this matter has been somewhat different.

I would finally appeal to the hon. Members to emulate the example of my hon. friend, Shri Samar Guha, when he underlined that in any event this problem is not a problem of Durgapur versus Salem or Salem versus Durgapur. All of us have at heart the development of both these plants so that they can effectively contribute towards this area of our economy in production and I am sure that if we are able to have what I would say, an equable and fair attitude as the hon. Members have displayed in this discussoin, we shall be able to solve this problem, which has become something of a vexed problem. I think, to some extent, it has go out of this situation in the recent past and we can come to a proper conclusion about the expansion of the alloy steel plant from the point of view of its viability and from the point of view of the nation.

SHRI SAMAR GUHA: Mr. Chairman, I will begin where the hon. Minister ended, by again re-emphasising that it is not an issue between Durgapur and Salem, it is not an issue between West Bengal and Tamil Nadu Perhaps, the hon. Minister would have noted that I never used the word "West Bengal"; I only referred to the eastern region.

SHRI S. MOHAN KUMARAMANGALAM: There is one point which I forget to make. There have been some reports in the press that because there is thinking in the government to have a second look at the product mix plant at Durgapur, there will also be a second look at the product mix plant at Salem. This is not correct. So far as the product mix at Salem is concerned, the government's decision is final and there is no question of going back on it. We are in the final stages of commissioning of the detailed project report. And I have no doubt that in coming to a decision for the product mix at Durgapur we shall consider the aspects of employment on the one hand and viability on the other.

SHRI SAMAR GUHA: As I said, this is not an issue between Tamil

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Nadu and West Bengal. If there is a stainless steel plant in Tamil Nadu, it will serve not only Tamil Nadu but the southern region of the country. I never used the word "West Bengal"; I referred to the eastern region. Whether you take the petrochemical, fertilizer or engineering industry in West Bengal, 90 per cent of it is not owned by the people in West Bengal. We provide only the infra-structure to the industry, to the extent of ten per cent. So, the question of owning them by the people of West Bengal does not arise. We only get employment in the infra-structure. In fact, people from the neighbouring States of Orissa, Bihar and Assam also get employment in those industries. So, it should not be viewed from the standpoint of the interests of West Bengal only. I raised the issue, as far as I could understand, in my inexperienced intelligence, more or less from technical and economic point of view, keeping the interests of the nation as a whole.

I have no mind to inter-link the issue, which is absolutely technical and technological, with the issue of the management, labour dispute, which is certainly a factor. But I hope the hon. Minister will agree with me that this is not the major factor. The labour trouble is not confined to Durgapur or West Bengal; it is prevailing all over the country.

SHRI S. MOHAN KUMARAMANGALAM: So far as steel area is concerned, it is my experience in the last year and a half that the troubles are much greater in Durgapur than in other plants. I say so very frankly and I have said so before in this House. Instances like the one I gave just now arise in Durgapur, but occur very rarely in other plants.

SHRI SAMAR GUHA: I do not want to inter-link the whole issue at the moment. We have never appreciated the unreasonable demands of the workers.

I should say, the Government should not also put the responsibility on labour. There are certain problems of supplies, certain problems of labour-management relations. I do not want to go into them. That is a different problem that can be discussed separately in a different background. There was a question about labour participation in management. But the Government has not given effect to it. They have not done that.

I do not want to dwell on the past; I do not want to prepare a thesis on that But the hon. Minister has not done justice to me. He has quoted a letter from Dastur & Co. I have also mentioned about Dastur & Co. plan. I have used the words, "It was inherently essential for the expansion of Alloy Steel Plant for production of 60,000 tonnes of stainless steel." This is the document that was shown to me a document from Dastur & Co. I got the document from the Alloy Steel Plant....

SHRI S. MOHAN KUMARAMANGALAM: The document from Dastur & Co. saying that there has to be expansion of 60,000 tonnes of stainless steel?

SHRI SAMAR GUHA: Not that. There were many alternatives. They did not say, "No. stainless steel production should not be there." But as far as the document goes, as you have quoted Mr. Swaminathan, it should have been helpful if all the documents had been placed before the House.

I have got these documents; I tried to get the source materials. I have studied these documents. I went to Durgapur and tried to get the documents and laid them. As far as humanly possible, I have studied them. I used the word in a calculated way that it was inherent in the very concept of the first phase of Durgapur Alloy Steel Plant that in the second phase, the expansion should include production of 60,000 tonnes of stainless steel.

Otherwise, this Alloy Steel Plant can never be profitable. I have also quoted that it was also mentioned that, if the second phase of expansion of 60,000 tonnes of stainless steel is there, then at the stage of 50 per cent production, it will be profitable. It is in the document.

The hon. Minister has said something which I cannot dispute. I can only say that if all the documents were placed before the House, that would have been helpful. I again repeat that I have tried as much as possible to go into the source material, to come to my conclusion and find out my reasoning in defence of the expansion of the Alloy Steel Plant for production of 60,000 tonnes of stainless steel. But I have no mind to go to prepare the thesis for it. As I have said, I am looking to the future.

The hon. Minister has used very good words, that he has an open mind, that he does not want to prejudge the issues and that he has not said anything for or against the seamless tube plant or stainless steel plant, I am sorry to say it was better for him not to argue for it so elaborately to give a firm decision on the floor of the House about his choice.

I used the strong word in the debate just to have my point. I could have used a stronger word. If I am accused of using the strong word, may be, to quote him again, it is due to my inexperienced intelligence. But I should say again, certainly, our bureaucracy has not been so much free, has not much courage to be free. Whenever they take any decision, the difficulty with bureaucracy is that they can say yes today but they can say no tomorrow to something when they see that the highest quarter has a different outlook and a different objective. Therefore, I think, perhaps, when you say that you do not want to pre-judge the issues, probably you have not done justice to yourself when you have sufficiently pre-judged the merits as to whether there should be expansion for seamless tubes or for stainless steel.

MR. CHAIRMAN: All that he has said is this....

SHRI SAMAR GUHA: I have followed him very clearly, very keenly.

That will certainly, to a certain extent, influence the decision of the experts. If it does not, certainly I will salute our experts for the freedom, for the initiative and courage, in taking an independent decision.

The hon. Minister has said about, first, the Delegation, then the Study Team, the CEDB and so on. One thing has appealed to me as a humble student of science. Nickle-free, chromium-manganese alloy steel has developed a greater international market. That is an important point which the experts should take into consideration. Manganese is plenty in our country; chromium is also plenty in our country. It is in Durgapur that they have developed that technology of producing alloy steel with chromium and manganese. So, that should also be one of the very important considerations to decide whether there should be stainless steel plant in Durgapur or not. The hon. Minister has said that he has an open mind, that he has left it to the study team for examination and review.

I want to make one suggestion to him. Certainly there are experts in the Central Steel Ministry. But I should say one thing to the credit of the technologists of Durgapur ASP, in a very constructive way, as Mr. Indrajit Gupta pointed out, in an independent way, with argument, with logic, they were trying to meet point by point all that was raised by way of objection to setting up the steel plant in Durgapur by the Central experts. To one of my questions, the hon. Minister had said 'no'. I had visited Durgapur, I had discussions with all those technologists.

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I asked them, 'Are you prepared to argue with, enter into polemics with, the Central steel experts round the table?' and they said, 'Yes; that is one of our main contentions'. In other countries, to come to certain conclusions on various technological issues, seminars are held in which not only the bureaucratic experts but also those technologists who are in the field, who are handling things practically, participate. I asked them, 'Are you ready to sit in a seminar with Central experts? You can put your arguments and meet their arguments' and they said, Yes'. On the basis of that, I had put that question to which the Minister said 'No'. I would again make a request to him. Those people who have developed this technique of producing chromium-manganese alloy steel have some inventive capacity, some intelligence, some genius, in them. Therefore, I would urge the hon. Minister, before he comes to a conclusion on the issue of reviewing or re-examining the whole gamut in the light of the new experience, new facts, new information, new data, of his Delegation and study team, obtained from the other steel-producing countries, he may please place all those facts and data before those people also; he may sit with them and discuss the matter before coming to a final conclusion.

An inordinate delay has been made. I would request that no delay should be made. But that does not mean that it should be done in a hurried manner. The whole matter should not be left in a state of indecision for long.

Lastly, I will again thank the Minister that he has not taken a rigid and dogmatic attitude. I say and repeat that I do not like that part of his pleading for seamless tube. That word you could avoid and to a certain extent that negates your stand that you have given complete freedom to the Study Team and every-freedom to your steel experts, to draw their own conclusions.

SHRI S. MOHAN KUMARAMANGALAM: If I may explain, if your resolution did confine itself merely that the product-mix for the Durgapur plant must be quickly determined for the expansion, I would have supported it. But you are the dogmatic person, because you are pinning me down to the March 1971 product-mix which means that you are excluding the seamless tube project. I am not including or excluding. So you are the dogmatist, not I.

SHRI SAMAR GUHA: I have not said that you are dogmatic. I said, I am not a steel expert. But I have tried to go into the source material and as an earnest student of Science and Chemistry I tried to understand....

MR. CHAIRMAN: Anyway, you are thanking the Minister.

SHRI SAMAR GUHA: I have said that I do not claim to understand the whole problem. That is the reason why I am saying that you should have a seminar with those experts in the Durgapur ASP before you come to the final conclusion.

SHRI VASANT SATHE (Akola): What is the objection you have for deleting the last sentence?

SHRI SAMAR GUHA: The hon. Minister has shown a good gesture by saying that he has an open mind in the matter and does not want to take a dogmatic attitude.

Will you take that attitude of open-mindedness in the case of the dismemberment of the Geological Survey of India and re-examine and review the whole issue?

SHRI INDRAJIT GUPTA: Please permit me to put one dogmatic question.

I had referred, when speaking, to a statement made by the Officers' Association, to the effect that between March 1971 and August 1972 when the product-mix was revised, neither the HSL Chairman nor the General Manager of ASP nor other technical personnel of ASP were associated with that decision. Is that correct?

SHRI S. MOHAN KUMARAMANGALAM: That is not correct. Both the views of HSL Chairman and—I do not remember, but I think—the views of the Asstt. General Superintendent and other officers of the plant were taken into consideration.

SHRI INDRAJIT GUPTA: They were consulted?

MR. CHAIRMAN: Now there are two amendments—one by Shri Jyotirmoy Bosu and another by Dr. Laxminarain Pandeya....

SHRI SAMAR GUHA: Sir, I want to trust the assurance—he has used the word 'assurance'—given by the Minister and his open-mindedness in saying that this study group will not be influenced by what he is saying in favour of this or that. I withdraw my motion.

MR. CHAIRMAN: But since the amendments have been moved, they have to be put to the House.

Now, I will put the amendments of Shri Jyotirmoy Bosu and Dr. Laxminarain Pandeya to the vote of the House.

Amendments Nos. 1 and 2 were put and negatived.

MR. CHAIRMAN: Now, with regard to the main Motion, Shri Samar Guha has expressed his desire to withdraw it, in view of the assurance given by the hon. Minister.

Has the hon. Member the leave of the House to withdraw his motion?

SEVERAL HON. MEMBERS: Yes.

The motion was, by leave, withdrawn.

SHRI INDRAJIT GUPTA: You are not expressing your pleasure at his reasonableness?

MR. CHAIRMAN: I have said that he is not dogmatic to-day.

17.45 hrs.

INDIAN RAILWAYS (AMENDMENT) BILL—*contd.*

MR. CHAIRMAN: We shall take up further discussion of the Indian Railways (Amendment) Bill. Shri Bade wants to speak at this late hour. He may kindly speak.

SHRI R. V. BADE (Khargone): Let the Minister introduce and say something on the Bill.

MR. CHAIRMAN: He has spoken. You are too late, Mr. Bade.

श्री आर० वी० बड़े : सभापति महोदय, इस एमेंडिंग बिल के द्वारा, रेल द्वारा भेजे गये माल के लाभ या डैमेज आदि के लिये रेलवेज़ की जिम्मेदारी को तीस दिन से घटाकर सात दिन कर दिया गया है। अगर सरकार का उद्देश्य वैगन्ज़ की मूवमेंट को तेज करना है, तो उसको माल के एक जगह से दूसरी जगह ले जाने का टाइम भी निर्धारित कर देना चाहिये। इस सम्बन्ध में कोई समय निश्चित न होने के कारण लोगों को बहुत नुकसान उठाना पड़ता है। मैं आपके सामने एक उदाहरण रखना चाहता हूं। दो व्यापारियों ने मंगलोर से आलोट स्टेशन के लिये टाइल्ज मंगाये। उनमें से एक व्यापारी के वैगन तो समय पर पहुंच गये, लेकिन दूसरे व्यापारी के वैगन बीच में नागदा स्टेशन के साइडिंग पर काफी देर के लिये पटक दिये गये जिसके परिणामस्वरूप उसको दस हजार रुपये का नुक्सान उठाना पड़ा।