

[Shri T. T. Krishnamachari]

(2) The following Notifications under section 38 of the Central Excises and Salt Act, 1944:—

- (i) No. 69/65-F. No. 11/2/65-CX. I dated the 1st May, 1965, levying additional excise duty on certain petroleum products under the Mineral Products (Additional Duties of Excise and Customs Act, 1958.
- (ii) No. 70/65-F. No. 11/2/65-CX. I dated the 1st May, 1965, exempting certain petroleum products from additional levy of excise duty under the Mineral Products (Additional Duties of Excise and Customs Act, 1958.
- (iii) No. 72/65-F. No. 15/24/65-CX. I dated the 1st May, 1965, making certain change in excise duty leviable on "tin plates" and "tinned sheets".
- (iv) No. 71/65-F. No. 16/3/64-CX. III, dated the 1st May, 1965, making certain change in excise duty leviable on cotton fabrics manufactured on powerlooms run by cooperative societies.
- (v) No. 74/65-F. No. 2/2/65-CX. II dated the 1st May, 1965, making certain changes in the duty leviable on copper and copper alloys.

[Placed in Library. See No. LT-4321/65].

अध्यक्ष महोदय : कल डा० राम मनोहर लोहिया साहब ने कहा था कि उन्होंने एक नोटिस दिया हुआ था, लेकिन उनका नाम शामिल नहीं किया गया था। वह इस वक्त हाउस में नहीं हैं। मैंने सब रिकार्ड्स देखे हैं और उनका इस सेशन में कोई नोटिस नहीं आया हुआ है। अगर उनके पास कोई सबूत है, तो वह मेहरबानी करके मुझे भेज दें।

11.03 hrs.

DEMANDS FOR GRANTS*—contd.

MINISTRY OF STEEL AND MINES

Mr. Speaker: The House will now take up discussion and voting on Demand Nos. 86 to 88 and 140 relating to the Ministry of Steel and Mines for which 5 hours have been allotted.

Hon. Members desirous of moving their cut motions may send slips to the Table within 15 minutes indicating which of the cut motions they would like to move.

DEMAND NO. 86—MINISTRY OF STEEL AND MINES

Mr. Speaker: Motion moved:

"That a sum not exceeding Rs. 45,30,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1966, in respect of Ministry of Steel and Mines."

DEMAND NO. 87—GEOLOGICAL SURVEY

Mr. Speaker: Motion moved:

"That a sum not exceeding Rs. 3,22,79,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1966, in respect of 'Geological Survey'."

DEMAND NO. 88—OTHER REVENUE EXPENDITURE OF THE MINISTRY OF STEEL AND MINES

Mr. Speaker: Motion moved:

"That a sum not exceeding Rs. 17,41,22,000 be granted to the President to complete the sum necessary to defray the charges

*Moved with the recommendation of the President.

which will come in course of payment during the year ending the 31st day of March, 1966, in respect of 'Other Revenue Expenditure of the Ministry of Steel and Mines'."

DEMAND NO. 140—CAPITAL OUTLAY OF THE MINISTRY OF STEEL AND MINES

Mr. Speaker: Motion moved:

"That a sum not exceeding Rs. 22,76,54,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1966, in respect of 'Capital outlay of the Ministry of Steel and Mines'."

Shri Ranga (Chittoor): Mr. Speaker, Sir, it is natural for the people of any State to expect and to hope for the location of one or two of the steel mills, the pig iron mills and other big industrial installations in their respective States because they hope thereby there would be created islands of full employment for an ever-increasing number of educated people and technicians, and their presence would also stimulate the development of other ancillary industries and small-scale industries, not to speak of consumers' trade. So there has been much agitation from Karnatak, Andhra and other places that the fifth steel plant should be located in Hospet or Goa, Salem or Neyveli, Vishakhapatnam or some other place in Andhra. It is quite a legitimate demand on their part. But, unfortunately, the Government say that they can establish only one steel mill for the time being, and they have entrusted the responsibility of choosing and making a recommendation for the choice of the site as between these claimants to the experts who have come from England. They can only choose one of these three places and the local governments have already gone far ahead in their commitments to the local people. I think the Government of Madras was encouraged by the previous Minister to hope for

success for themselves and they are reported to have spent quite a lot of money. I do not know which particular site would be recommended by this Technical Commission.

It is a good thing that such a choice is left to such an expert body instead of placing this onerous responsibility on the ministers because ministers can easily be accused of favouring one State as against another. But, at the same time, it should be possible for this Ministry to think of developing pig iron manufacturing and offer to establish, either with the aid of private enterprise or through their own State enterprise, the needed factories in the two States which would eventually come to be disappointed by whatever decision that may be made by the Government on the recommendation of that Commission. And, there is scope for establishing a number of pig iron plants. The Government has already given licences to a number of private entrepreneurs. They say that the private entrepreneurs have not so far come forward to establish these factories. From time to time I have been urging upon Minister after Minister, because quite a number of ministers are made responsible for the development of different industries in our country, that they should not sit back in their chairs here after having issued these licences and expect these private licensees to fend for themselves, to find the necessary money, to find their partners from abroad, to get the foreign exchange, to get the machinery, the know-how and all these things and then build up these plants. On the other hand, they should take upon themselves the responsibility of giving them active assistance and help in the same way in which they find it necessary if it is their duty to give these assistance and encouragement to public enterprises which are being started. It is true, private enterprises have been complaining, justly, I think, that Government has not been fair to them, the Government has been stepmotherly towards them. I have no objection. I have been one of the

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authors—I claim to be one—of the Industrial Policy Resolution when it was being formulated behind the scenes, then in the lobbies and then in this House also. Therefore, I do not cavil at the responsibility that the Government has taken upon itself in developing these public enterprises. At the same time, it is as much its duty to encourage these private entrepreneurs also giving them every possible assistance. My complaint is that that kind of assistance that ought to be given to them has not been given and is not being given to them. Therefore, I want the Government, in this Ministry as well as in the other Ministries also, to give a new look to this matter and begin to re-orient their own policy in their approach to private enterprise.

If they were to do it in this particular matter I am sure it should be possible for those who have already obtained the licences and indeed for some others also who come forward and ask for these licences to establish these pig iron plants not only in these two States, as I said, which cannot come to have the fifth Steel plant for themselves, but also in two or three other States which are not very far away, which are also equally suited, equally favourably situated, for developing these pig iron plants. Therefore, I want the Ministry to begin to work on these lines and assure the Andhra, Madras, Mysore, Maharashtra and also Madhya Pradesh Governments—because, I think Bastar is in Madhya Pradesh—that it would be possible for them to have pig iron plants, even if they cannot have steel plants here and now.

The advantage of establishing a pig iron plant here and now in any of these areas is this. Once a particular industry is developed, its growth does not stop there; it becomes a base for operations for the development of various other industries also and, in course of time, it may be possible for them to begin to think of steel plants too. Because, after all, India is not

going to be satisfied only with five steel plants. I hope we are going to have many more, certainly more than ten, in years to come. And where will they be located? They would naturally come to be located where already these big pig iron plants are established, because in those areas various accessory arrangements have already been made in regard to transport, in regard to communication, in regard to supply of raw materials, pig iron, coal and various other things. So, I hope the Government would try to work somewhat on these lines in order not only to satisfy these areas, not only to develop the industrial activity in these areas, but also to develop this industry with a better system of distribution and diversification.

The second point that I want to stress is this. It is all right for us to be very enthusiastic about developing these projects. But, how are we going to develop them? Are we going to be economic or not? With the experience that we have of the three great steel projects, it is anticipated that there has been quite a lot of waste. First of all, the Government of India under-estimate the estimates, i.e. the costs are estimated too low. Afterwards, there is a second revision, third revision, fourth revision and, sometimes, even a fifth revision, all upwards, so much so that a project which was expected to cost Rs. 300 crores ultimately costs Rs. 700 crores or 800 crores. Take, for instance, the Bokaro project, for which the negotiations have almost been concluded, I think, with the Russians. We are grateful to Russia for having agreed to undertake this responsibility. At the same time, the terms that she has stipulated are not entirely satisfactory to us. The rate of interest, it is true, is low, but the period within which we are expected to repay is much too short; it is only twelve years. On the other hand, West Germany has agreed to a period of 20 years, I think; but the rate of interest there is much higher. So,

there is scope for negotiations both with Russia as well as West Germany to see that the period over which we have got to repay these loans is extended, as far as it is possible and that there should be a moratorium of 3, 4 or 5 years in the beginning. And in the light of the Bhilai experience itself, it should be possible for us, for our Government, to persuade the Russian Government to agree to a short period of moratorium. West Germany has to agree to reduce the rate of interest.

Then, it is not enough to be satisfied by saying: oh, all this is going to be rupee exchange. How on earth is this money to be repaid to Russia and how is it going to be spent, either here or elsewhere? And to what extent are the experts and other people who are here now, and many more of them who are going to come over here, likely to be completely free from any idea of political propaganda? I need not say anything more. My hon. friend, the Minister in charge of this Ministry, himself knows what happens by way of Communist propaganda. . . . (Interruptions) I know that some of my hon. friends would be unhappy when I say this.

Shrimati Vimla Devi (Eluru): We are not unhappy. But has there been any such case of political propaganda up till now?

Shri Ranga: I want the Government to examine it. I am sure every one knows how clever the Communist propaganda is and how successful also.

Mr. Speaker: I cannot defend him against a lady.

Shri Ranga: How they manage it is known only to my Communist friends. They were able to get the inner-most relative of one former Cabinet Minister, convert him to the Communist Party and utilise him for party purposes. There are some of our friends here also who are suf-

fering from the same disability. How have they succeeded? I give them credit for their cleverness and ingenuity. I want the Government to be extremely careful about them.

Then I come to the question of labour. In regard to labour relations, a former President of the INTUC has had to complain about the harsh and sometimes cruel way in which those who are in charge of some of the public enterprises are treating their labour. Instead of being more liberal than a private enterprise, they have been more harsh and they have treated the labour so harsh that they could not develop their own organisational strength and unity properly. Secondly, the INTUC also, unfortunately, has not been able to settle the differences within its own ranks, so much so that there is rivalry between Communist-minded trade unions and the INTUC, there is so much labour trouble, so much of unrest, so much of go slow tactics and absenteeism, and this has prevented Rourkela from developing its production as well as it should have. Therefore, I would request this Ministry, as well as the other Ministries also, to evolve a more sensible, more satisfactory, more effective labour relations policy in the management of their enterprises, more especially State enterprises.

Then, there is the question of staff. The working expenses have been going up in these steel mills. If my hon. friend were to look into it, he will be able to find that it has been going up and it is exorbitantly high. There is much over-staffing, and more than ten per cent is being spent of the working expenses on staff alone, on personal alone. I do not know how far it would be possible for them to achieve rationalisation in their employment policy, because there is always this complaint about retrenchment being effected. The Bhilai workers have already come here some time back, only to make representa-

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tion to us, that retrenchment is being made. The Government are saying that their policy is to provide alternative employment for them in other enterprises which are coming into existence. I am afraid there is some lacuna somewhere with the result that a large number of labourers is unemployed, labour which is well trained and technically efficient, which is a sheer national waste. Therefore, an effective policy has got to be devised, in co-operation with the Labour Ministry, so that long before any industrial unit is nearing completion of its work, plans are prepared by which these labour that would become surplus, could, without much of delay, without much of interval, be employed in some other industrial enterprises where they can be conveniently employed. But one thing should be realised by the workers also. A worker who is employed as a skilled fitter may not necessarily be provided with the same kind of employment in other industries. To that extent, the workers must also be reasonable and they must be prepared to accommodate themselves with the needs of the national economy.

Then I come to the question of the coal industry. I do not think there has been sufficient thought given to the needs of the coal industry, and the Planning Commission itself is at fault. It has sanctioned with the help of this Parliament, this atomic power plant at Tarapore area. They want to establish another plant in Gujarat. Some of us complained that the unit cost of production would be very much higher. Then they told us that instead of carrying coal all the way from Jharia coalfields to Ahmedabad and other places over long distances, creating transport bottleneck and other difficulties, it is much more economical to have it there.

Very well; what is the result? Again the Railway Minister is going to introduce diesel engines. What would

be the result? There will be less demand for coal. Should we not consider all these things? We have got this coal industry. So much of private enterprise money as well as Government money has come to be invested; so much more is sought to be invested also. They are going to have an enterprise to manufacture coal machinery. All these things are going on. On the one hand, higher and higher expenditure is being incurred at this end; at the other end they are trying their best to introduce ways and means by which the consumption of coal would be minimised. Surely, there must be some sensible plan in order to co-ordinate one with the other in seeing that the national capital that has already been invested in the coal industry is not allowed to go to waste and loss does not come to be incurred by the national as a whole and that more money is not wasted also in developing these new enterprises. So, I would like the Government in this Ministry as well as in the other ministries which are concerned in regard to this matter to give some thought to it and to see to it that the coal industry will be given an opportunity of developing as is being planned for the Fourth Five Year Plan and, at the same time, it is assured of the necessary demand and necessary transport facilities also.

Then, there is the question of revision of the plan estimates. When we sent round some questions to these various industrial units asking whether once the Cabinet gives approval to a particular project any revisions in the estimates thereafter are made and more and more money is sought to be asked for and whether these proposals are sent to the Cabinet at every stage or not, we were given the reply that the Cabinet is not consulted thereafter. In one case they said that the Cabinet was kept informed; in another case they said that the Cabinet need not be consulted. Now this is a very wrong thing.

On every occasion, if the estimate is revised, it should be taken for granted that the Cabinet would not only be informed but the Cabinet would be given an opportunity of considering that matter, of giving it its careful thought and approval only after careful consideration; otherwise what is likely to happen is that many of these people would simply present before the Minister concerned a rosy picture of Rs. 60 crores or Rs. 70 crores being the estimated cost without making provision, as they themselves admitted in the case of these three steel plants, for housing, hospitalisation, roads, local power supply and various other things also, and then suggest a revised estimate. The revised estimate can never be the final one because prices are going up. Inflation is there and so prices go up and necessarily it has got to be revised again and again. It is not dependent upon what happens in our own country but also what happens in other countries has got to be taken into consideration. Therefore at every stage, I suggest, the Cabinet should be given the earliest possibility opportunity to give its careful consideration to these matters.

Lastly, when we develop these public enterprise projects we have to see, since all this money belongs to the Government—more than that, the hopes of our people are centred round these great institutions—that they are managed, protected and developed purely from a national point of view. Neither ideological predilections nor party interests nor even zonal or geographical prejudices should be allowed to come to play their mischief. It has happen in the past. A particular project is started, say—I am afraid of mentioning any State; but let me mention a State where there are not many of these big projects—Himachal Pradesh. Then all the people in Himachal Pradesh are given the impression by their local government that first preference will be given in employment only to the local people. They do not mean employment only

to the local people. They do not mean employment only in the lower grades—grades three, four or five—but the officers' cadre also, the experts cadre and the top-most cadre also. This kind of an approach is not going to be helpful to our national development at all. Wherever we have these State enterprises, specially those which are being developed by the Union Government, they should be developed from an all-India point of view and employment as well as utilisation of resources should be so arranged that the whole of the nation would be benefited. Every State should have an opportunity of having its own share in it according to the contribution it is capable of making by supplying people who are competent and useful and who would be helpful also. I am using the word "helpful" because we want all those who are employed in these enterprises to be patriotic. We have found that in many cases they have not behaved in a patriotic manner. There were cases of fire and sabotage and officers also came to be involved in these things. This is a very serious state of things. Whom are we to hold responsible? It is easy to say that the people are like that and therefore these things are happening. Government, which is expected to provide the leadership, which has taken upon itself also the responsibility of placing national resources at the disposal of these national institutions, must shoulder this responsibility and must try its best to avoid these mishaps and to prevent these activities of saboteurs.

In conclusion, with the development of Bokaro, I think, the nation would have invested more than Rs. 1,200 crores so far as the Steel Corporation alone is concerned, Rs. 1,200 crores—nearly as much as we have come to invest in our railways over a period of a century. All this we are doing within a period of 12 or 15 years. This is a huge responsibility. In whose hands have we placed it? We have placed this in the hands

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of this Corporation. How does it recruit people at the highest level as well as at the lowest level? These are matters of national importance. I found in one case where the steel sales organisation was being considered, the topmost people were being paid salaries which are not attractive. They have to deal with crores and crores of rupees worth of transactions, and there are people to offer temptations in this country as well as abroad because we are exporting some of these products also. So, I want the Government to give some sort of consideration to this question, that is, of salaries or remuneration and as to whether the present policy of allowing any one particular officer to make a decision is a safe one; whether they should not expect a group of officers—three, four or five—to take key decision which would mean this way or the other any little concession that may be made which may mean either the loss of tens of lakhs of rupees or a concession of tens of lakhs of rupees to the people who would be purchasing or selling these things to our own national steel corporation. So, in regard to all these things I have tried to offer these remarks with a spirit of co-operation in order to see that the national resources are properly protected, developed and nurtured.

Shri Morarka (Jhunjhunu): Mr. Speaker, Sir, I wish to begin with the last point of the hon. speaker who preceded me. He said that the total investment in the steel plants including Bokaro would be about Rs. 1,200 crores. Without Bokaro, already the total investment in the Hindustan Steel Limited is Rs. 885 crores—Rs. 528 crores by way of equity capital and Rs. 357 crores by way of loan capital. On this investment of Rs. 885 crores the total value of the annual production is Rs. 200 crores. So the ratio between the investment and production is so low that purely from the point of view

of profit economy, I think, it will take a long time before the steel plants can become profit yielding in the real sense of the term.

Then, there is another aspect which the hon. Member should not forget and that is that in the last year, we produced saleable steel of about 2.5 million tons. This quantity of 2.5 million tons of steel alone saves a foreign exchange of more than Rs. 200 crores per year. Any project for any industrial complex, which saves foreign exchange worth more than Rs. 200 crores per year, is certainly a thing of which we should be proud. Even if the project does not make a profit in the strict accountancy sense of the term, it is a thing which we must take note of, because in the long run that helps the economy and develops our entire industrial structure.

Besides this element of foreign exchange saving, there is another point also. So far the steel plants have generated Rs. 120 crores by way of depreciation fund. This again does not form profit in the real sense of the term but, at the same time, the internal resources of the steel plants have laid Rs. 120 crores in the form of depreciation fund. Then there is the excise duty which we get every year and that is about Rs. 20 crores from the steel plants. Now that the steel is decontrolled, the steel plants do not contribute anything to the steel equalisation fund. Otherwise, we were getting a substantial amount in the steel equalisation fund also. These are the things on the credit side of the steel plants. But at the same time we cannot forget the fact that steel was at one time cheapest to be produced in this country—the cost of production of steel was the lowest in this country. The production cost has today become almost the highest in the world. Why is that so? There are two main reasons as to why the price of steel in this country has in-

creased. One is the capital cost and the other is the production cost.

Let us take first the capital cost. What we find is that the per ton production capacity of steel ingot in this country cost us anything between Rs. 1700 to Rs. 2000 as against Rs. 600 in Japan. They are now endeavouring to bring down the cost to Rs. 500. And in U.K. which is supposed to be a very costly country, the cost is less, that is, Rs. 1300 to Rs. 1400. Why is the cost of the equipment so high in this country? For that, the first reason is that, most of our steel plants are put up with what is known as tied aid. We are financing them with capital or aid which is tied not only to a particular project but tied to a particular country also. The result is that we cannot invite world tenders; we cannot get equipment from the market which is the cheapest. Let me give one example of the Durgapur Steel Plant Expansion project. The quotations first received from the Consortium for equipment to be imported was at 25 million pounds sterling. But when the Hindustan Steel Ltd., insisted that tenders should be invited, the British Treasury agreed to that; and when the tenders were invited we found that the figure of 25 million pounds sterling came down to 22 million pounds sterling, that is to say, a saving of 3 million pounds sterling or a little more than Rs. 4 crores was affected. That was a substantial saving.

What happened in Rourkela? When we invited tenders for blast furnaces, only one tender was received because the manufacturers of that equipment in West Germany came to some sort of an understanding among themselves that all of them would share some equipment or the other and that only one tender would be submitted.

The whole difficulty with our steel plants and steel programme is that since we do not have our own foreign exchange to finance the projects, we have no choice, whatsoever. We cannot purchase the equipment from the

market as we like. We are tied to the countries which gave the aids; we are tied to their terms of the credit and that indirectly is hurting us to a great extent. On the face of it, it may appear that the credit is very cheap and that we have to pay only 2½ per cent or 6 per cent interest. But the real thing is that we have no choice of prices. We cannot compare the prices; we cannot bargain—our bargaining strength is nil. The result is that we have to accept the terms which are dictated by these foreign countries and we have to pay a higher price. I am told—it may perhaps be wrong—that even in the Bhilai Steel Plant, as regards the equipment we have purchased, some of the equipment which they have dumped on us is still lying unused. It may be of a small value or it may be of high value—I do not know. But what does this indicate? It indicates that we must have our own technicians; we must have our own experts to see (a) that the equipment which we are buying is necessary; (b) that the equipment which we are buying is reasonable and economical and (c) that we are not having any antedated equipment but we are having the latest equipment that are necessary.

The other point as to why our capital cost is so high is that, 18 per cent of our total expenditure on a plant today is on townships. According to the orthodox thinking, one can say that the township is a luxury. But in a public sector steel project, the township is a necessity and if the public sector projects do not set this example of providing adequate modern housing facilities to their workers, then it would have no case to argue with the private sector or with anybody and say that you must provide all such facilities to your workers. Therefore, while in calculating the cost you may also keep this thing in mind that 18 per cent of your investment is on the township. At the same time you

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should not consider that as a redundant item; it is a necessary item; it is an essential item and that must be treated as a part of the investment but not at the time of calculating the cost of steel production.

Another thing is that 60 to 80 per cent of our equipment that we require for a steel plant even now has to be imported as against less than 20 per cent in Japan and almost 5 to 7 per cent in U.K. These imported components for our steel plants are raising the cost very much because every time the import duty is increased, the freight is also increased and the insurance charges are also going up. The result is that the imported equipment in this country now cost us anything between 50 to 60 per cent more than what it cost in other countries. Again, when we take into consideration the cost of putting a steel plant in this country, you must bear in mind the fact that even today 60 to 80 per cent of our equipment is imported from abroad.

There is one thing which, I think, the Ministry can do in reducing the cost—it is in their control—and that is about the time they take in putting up a plan, the time from the date the agreement is signed until the time the erection, construction, etc. of the plant is actually finished. I think the time taken in these things is a little on the high side and that is mostly because of the Government machinery. I make a criticism here that even though the Hindustan Steel is a Limited Company, is an independent Corporation—it is supposed to have autonomy of function, etc.—in practice, however it still runs just like any Department of the Government. It has some flexibility, some independence, so far as appointments are concerned, so far as Public Service Commission appointments are concerned, but still they do not have that much latitude, that much auto-

nomy, which they should have. Perhaps, there is difficulty in the way of the Government in giving more powers to individual directors and boards, but that is a point which they must examine, because they have for foreign experts sitting here whom they pay very high salaries, and they have foreign equipment on hire for which they pay very high rent rates; at the same time, in Government procedures regarding sanction etc., if they take such a longtime, then, in the long run the project would become unnecessarily costly.

The second element in the cost of steel is the cost of production. Here, I shall give you some interesting figures as to how the cost of steel production has increased in this country as compared with the costs in 1940-41. In 1940-41, the cost of iron ore per ton was Rs. 3.5, and in 1963 it had gone up to Rs. 20. Similarly, the cost of coal was Rs. 8 in 1940-41, and it had gone up to Rs. 38 in 1963. The cost of limestone increased from Rs. 5.25 to about Rs. 24 during the same period. The works production cost of coke has increased from Rs. 9 in 1940-41 to Rs. 58 in 1963. Pig iron (Works cost) was costing Rs. 18.5 in 1940-41 and that had gone up to Rs. 142, in 1963. Similarly the cost of steel ingots has increased from Rs. 35 to Rs. 286 during the same period.

One of the main reasons for the increase in the cost of production is the inferior quality of our coal. The ash content of coke is increasing and it has increased over this period from 21 per cent to 24 per cent. The ash content of coal has increased from 16 per cent to anything between 19 and 24 per cent. I say this because every one per cent of increase of ash content in the coke reduces the steel production, I am told, by 5 per cent, and to that extent it increases the cost of production unreasonably high.

The consumption of coke in this country in our steel plants, is also very high. It is between 900 to 1000 k.g. per ton as against 500 k.g. per ton in Japan, 720 k.g. per ton in the U.K. and Germany and 700 k.g. per ton in the U.S.A.

Dr. M. S. Aney (Nagpur): Is it the fault of the machinery or that of coal?

Shri Morarka: It is the fault of coal.

Dr. M. S. Aney: Not of the machinery also?

Shri Morarka: Not of the machinery.

Since the hon. Member has asked the question whether it is the fault of the machinery, I would like to point out that is not the fault of the machinery in the sense that we have imported any wrong type of machines but there is something in what he says, namely, that all over the world now, preparation of raw materials, the blending and beneficiation of raw materials is an accepted method, but, unfortunately, in none of our steel plants we have that type of machinery. It is a pity that while sizing, screening and blending of raw material is a standard practice all over the world, none of the steel plants in India has this primary facility. It is reported that with 100 per cent raw material preparation, coke saving is possible up to 25 per cent, and the production of steel could be increased up to 30 per cent.

I would request the hon. Minister that when he examines the detailed project report about Bokaro, he must take care to see that we have this type of raw materials preparation equipment not only for Bokaro but also for the other steel plants.

The quality of limestone unfortunately in this country is not very good. Instead of the normal 3 per

cent, the insolubles are 6 to 8 per cent. The refractory consumption in this country for steel-making is twice as much as elsewhere in the world. It is about 50 to 60 k.g. per ton of ingot steel. Besides, the production of steel in our open hearth blast furnaces is very low. Our furnaces are of the capacity of 200 to 250 tons per day in the open hearth furnaces and they give 20 to 25 tons production per hour, whereas in Kawasaki Steel at Chiba in Japan, they have achieved a production of 55 tons per hour in a smaller furnace of 160 tons capacity. This is a point which the hon. Minister must take note of and must provide for when he studies the detailed specifications in regard to the Bokaro steel plant.

Then, let us take the question of labour. In 1940-41, the labour cost per ton of pig iron was Rs. 0.84, and in 1963 it had increased to Rs. 2.50 which is nearly thrice the original figure. Similarly, for ingot steel, it increased from Rs. 1.23 to Rs. 3.9 during the same period.

Labour productivity in India is about 65 ingot tons per man per year as against 300 tons in U.S.A. and more than 300 tons in Japan. A recent survey that was carried out had revealed that in the case of the public sector projects, the figures were as follows: it was 58 tons in Bhilai, 72 tons at Rourkela and 75 tons at Durgapur, and the average was 65 tons. So, two of the steel plants in the public sector are above the average while one of them, namely Bhilai, is below the average. The productivity of labour as compared to 1940-41 has no doubt gone up in India. It was 20 tons per man per year of saleable steel in 1948-49 and it has now increased to about 50 tons of saleable steel or 65 tons of ingot steel. The Tatas used to employ about 33,000 people when their capacity was one million tons; today, they are employing, about 30,000 people when their

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capacity is double, about 2 million tons per year. That really indicates that the productivity of our Indian labour has also gone up, and it is double what it was before, but still compared to the productivity of labour in other countries, it is still very low.

In this connection, there was a statement made recently by the General Manager of Bhilai. He had said that Bhilai suffered from over-provisioning of labour and clerks. His estimate was that there was a surplus of about 2,000 clerks in Bhilai alone. The total number of persons employed in Bhilai is 28,550, in Durgapur 20,164; in Rourkela 18,893, in the TISCO 32,977 and in IISCO 17,128. The point is that our labour force should not be more than 16,000 to 17,000 per plant of a million tons capacity. As against that, we are having about 28,550 in Bhilai. Of course this number includes the labour that we employ for the township also.

The Minister of Steel and Mines (Shri N. Sanjiva Reddy): And also construction.

Shri Morarka: Of course, it includes some on construction work also. But even if we make allowance for that, still the figure is on the higher side.

Apart from these people, we have still a fair number of foreign experts in this country, and these foreign experts alone cost a substantial amount and form an important element in the cost of production. For example, in Rourkela alone, the incidence per ton of output Rs. 16 to 18 or about 2 per cent because of these foreign experts.

I would like to conclude this point by reading out an extract from what the General Manager of the Bhilai Steel Plant had said about the cost

of production, because that indicates the attitude of Government towards this matter, which is slightly disappointing and that is why I want to read it out. This is what he had said:

"It is unfortunate that cost reduction and tight book-keeping are equated in this country. Reduction in travelling allowances, avoidance of elegant publicity and economy in entertainment are the stock directives to undertakings for cost reduction. If the undertakings are able to achieve them, they consider that they have served the purpose of cost reduction. Such directives are an indication of amateurishness in business methods. They actually serve to deflect good management from its real objectives and afford a good cover for inaction and bad management."

This is rather disappointing because if this is the view of the General Manager of Bhilai, who is in charge there and whose duty it is to reduce the cost of production, because the cost of production is very high. If he says that the directives are only to reduce entertainment allowance, publicity expenditure, travelling allowance etc., and if they are implemented the authorities are satisfied, then I think it is time for the hon. Minister to apply his mind and give proper directions to them to the effect that the directive is not so much about publicity, travelling allowance etc., in such a big, huge plant as about the other factors which are more important.

Now, I wish to say something about the Khetri project which, fortunately, is in my constituency.

Shri Rameshwar Tantia (Sikar): Unfortunately—because it is not coming up.

Shri Morarka: I consider myself singularly lucky that this project is in my constituency. I agree that the project has not made fast progress, as fast as it should. But there are difficulties. With the personal attention of the hon. Minister now, I am assured that this project is catching up.

One disappointing feature which I read from the report is that in May 1964, they reviewed the economic viability of this project again. Now this Khatri project is the only public sector project in Rajasthan. If that is also reviewed again and again about its economic viability and doubts are created, then the progress the project would make would necessarily be very halting. I agree that economically this project may not be as viable as projects situated in other areas, but looking to the backwardness of that area and considering the fact that there are no other possibilities of any other type of industry there, I think even if there are handicaps, the hon. Minister should overlook them, try to overcome them and give this project a real impetus.

Shri Rameshwar Tantia: It will save foreign exchange.

Shri Morarka: This project would give us a substantial saving in foreign exchange, because we are spending today more than Rs. 25.26 crores on import of copper and even then are not able to meet fully the demand. This project is supposed to produce 21,000 tonnes of copper annually. I do hope that the hon. Minister when he replies to the debate would say something about this project, that is, what happened to the negotiations which were going on between the Government of India and the French Government for the credit for the smelter, the flash type, which Government have decided to adopt.

Similarly, I would also like the hon. Minister to say what happened

to the decisions they had taken about the fertiliser project plant and the acid project plant which were to be put up there.

I want to say quickly a few words about the Kiriburu iron ore mines and the National Coal Development Corporation. About the iron ore mines, it was very disappointing to read in the report that as against the anticipated cost of Rs. 11.66 per tonne, the actual cost so far has come to anything from Rs. 31.62 to Rs. 186 per tonne. We are exporting ore from this mine to Japan. Here the cost has gone up very high. It is true that this mine has not gone into full production, but the forecast of the Ministry is that even when it goes into full production, when it would producing 2 million tonnes per year, we would be making a loss of not less than Rs. 9 per tonnes, which on 2 million tonnes would mean a loss to Government annually of Rs. 2 crores, for not fault of ours. I hope the hon. Minister will take the opportunity of revising the contract rates with the Japanese Government for their import of iron ore from us.

As regards the National Coal Development Corporation, the disappointing thing is that in 1962-63 we made a profit of Rs. 1.25 crores, but in 1963-64 it has gone down to Rs. 19.54 lakhs. I agree that the coal industry is facing some difficulties about demand etc., but still the fall in profit is very noticeable. The NCDC produces about 10 million tonnes of coal and on this a profit of Rs. 19 lakhs comes to 20P per tonne, a very very meagre figure as compared to others, even the Singareni coal fields which Government themselves are running. So this performance of NCDC requires looking into. Thanking you.

Mr. Speaker Hon. Members may now move the cut motions to Demands for Grants relating to the Ministry of Steel and Mines, subject to their being otherwise admissible.

Shri Yashpal Singh (Kairana): I beg to move:

(i) "That the demand under the head Ministry of Steel and Mines be reduced by Rs. 100."

[*Fall in the consumption of coal and accumulation of large stocks of coal* (1)]

(ii) "That the demand under the head Ministry of Steel and Mines be reduced by Rs. 100."

[*Working of the Hindustan Steel Limited particularly in the matter of defective packing of goods exported to U.K.* (2)].

(iii) "That the demand under the head Ministry of Steel and Mines be reduced by Rs. 100."

[*Shortage of pig iron and its distribution among small scale industries* (3)]

(iv) "That the demand under the head Ministry of Steel and Mines be reduced by Rs. 100."

[*Need to improve the service conditions of persons employed in Geological Survey of India, Dehradun* (4)]

(v) "That the demand under the head Ministry of Steel and Mines be reduced by Rs. 100."

[*Delay in converting the Dastur and Co. into a public limited company* (5)]

(vi) "That the demand under the head Ministry of Steel and Mines be reduced by Rs. 100."

[*Need to establish new steel plants in various parts of the country* (6)]

Shri Koya (Kozhikode): I beg to move:

(i) "That the demand under the head Ministry of Steel and Mines be reduced by Rs. 100."

[*Need to expedite Geological Survey with regard to gold in Nilambur and Wynad in Kerala State* (22)]

(ii) "That the demand under the head Ministry of Steel and Mines be reduced by Rs. 100."

[*Need to explore the iron ore deposits in Nanmirda (Kozhikode district) in Kerala State* (23)]

Shri Sivamurthi Swamy (Kappal): I beg to move:

(i) "That the demand under the head Ministry of Steel and Mines be reduced by Rs. 100."

[*Need for establishment of fifth iron and steel factory in Hospet Bellary district, Mysore State* (24)]

(ii) "That the demand under the head Ministry of Steel and Mines be reduced by Rs. 100."

[*Need to establish the fifth iron and steel factory in the richest iron ore area at Bellary district of Sondur-Hospect area* (25)]

(iii) "That the demand under the head Geological Survey be reduced by Rs. 100."

[*Need for survey of Gold mines in Kappath mountain range in Dharwar district, Mysore State* (26)]

(iv) "That the demand under the head Geological Survey be reduced by Rs. 100."

[*Need to work out the old Gold mines at Kappath Gudda in Mysore State* (27)]

(v) "That the demand under the head Capital Outlay of the Ministry of Steel and Mines be reduced by Rs. 100."

[*Need to provide modern machinery to the mine owners of Iron and Manganese ore in Bellary district, Mysore State* (28)]

(vi) "That the demand under the head Capital Outlay of the Ministry of Steel and Mines be reduced by Rs. 100."

[*Need to provide transport facilities to all mine owners* (29)]

Mr. Speaker: These cut motions are now before the House .

Dr. U. Misra (Jamshedpur): I have heard the speech of Shri Morarka with rapt attention. It is very revealing and educative also.

We are discussing the Demands for Grants of this Ministry at a time when the Third Plan is in its last year. For our industrial development steel is very necessary and is a basic metal. But in this item, we have a shortfall. I am not going to compare with other countries, but our shortfall is very much. I attribute this to the delay in the setting up of the Bokaro plant which should have come up at the beginning of the Third Plan. We have to consider whose fault it was. I take it that the delay in establishing the Bokaro plant was deliberate. A lot of foreign exchange was found for some public sector. So at the last moment, the U.S.A did not agree and then we had to approach Soviet Russia. Whether it came from Soviet Russia or any other country, we wanted speedy development. If the Bokaro plant had come earlier, this shortfall would have been avoided. Now a doubt has been created whether at the end of the Fourth Plan our target of 16.5 million tonnes will be achieved or not.

In connection with the construction of these plants, another important metal is alloy steel. I understand we require about 200,000 tonnes of alloy steel at the end of the Third Plan. India has already imported, in 1964-65, 50,000 tonnes. Now the Durgapur plant which is coming up assures us 100,000 tonnes. But this requirement would have been met much earlier if private parties like Tatas had not been given the licence, to sit over it for a long time and return it to us.

12 hrs.

Even this Durgapur plant, I understand, could have been completed
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much earlier if there had not been any bungling about the contractor. It is said that one of the contractors of Asansol was given a contract. He had no previous experience, because of which this plant was delayed. It is generally said that he was considered because of his contribution to the ruling party funds.

I have heard what Shri Morarka has said about cost of production. I also agree with him that large plants built with heavy investment should have provided us with resources for further development. We should not have gone either to Russia or USA. The total loss is calculated to be Rs. 68.4 crores—Rourkela Rs. 38.9 crores Durgapur Rs. 17 crores and Bhilai Rs. 12.54 crores. Of course, in 1963-64 Bhilai has shown a profit of Rs. 1.5 crores. Was this loss inevitable as explained? This is one of the points taken up by the private sector people and those who are against the public sector, for propaganda. Most of this loss is not due to want of labour productivity because, as was shown by the previous speaker, labour productivity has gone up, and wages have not gone up to the extent to which the cost of living has gone up. Most of this loss was mainly due to corrupt practices and due to the wrong way of planning it. A good portion of the investment has been eaten away by the contractors who built it.

As was shown in Durgapur, Rs. 3 or Rs. 4 crores were saved because global tenders were called, but West Germany made a sort of strike; they united, and robbed us in the case of Rourkela. It is a matter of regret that the cost has risen by Rs. 23 per ton in Rourkela because of these foreign experts.

On the Fifth steel plant already Rs. 46 lakhs in foreign exchange has been spent on the foreign experts just to select a site. I doubt whether it was necessary. We have built three plants with the help of three most advanced countries and

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the foreign experts say that Indian talent is not inferior. When there was a little trouble in Tatas, Messrs. Kaiser & Co., sent a group of American experts, and they have said that the Indian smelters and Indian technicians are in no way inferior to the foreigners. Was it necessary to retain these foreign experts so long only to get the know-how?

Even the Bokaro plant should have been designed and built by Indian experts. Of course, it is a matter to be considered by the experts only. I understand that there is a Central Institute of Designs under Hindustan Steel. This should be strengthened. Messrs. Dastoor & Co., and the engineers and talents available should be taken over immediately and a full-fledged Central Designs Institute should be established, so that at least the fifth steel plant should be hundred per cent Indian.

Now, we hear that talks are going on about the Anglo-American consortium for the fifth plant. We had our experience in the case of Bokaro. So, I warn that the Minister should not fall into the trap, but should organise the indigenous resources as well as the resources from the existing steel plants.

Coming to the private sector, a loan of Rs. 10 crores has been given to TISCO and IISCO each and there was no condition of repayment. We have conditions to repay to the foreign countries from whom long-term loans are got. But here there was no condition, and when the question of repayment comes, they resist even conversion of the loan into equity capital. The Government has got the power. Why not use it to convert these loans into equity shares? If these private companies cannot raise capital for themselves why should Government at the cost of the poor rate payers raise capital for them and put all the profits in their pockets?

What do they do with these profits? I know that with the enormous profits that go to the pockets of private sector companies like Tatas they keep gangs of goondas and maintain them to harass the citizens of Jamshedpur. They control every sphere of life in Jamshedpur which they have built up as a private empire inside free India. Bastis of 40 years standing have been demolished by these privately maintained goondas, without providing any alternative accommodation for them. In 1958, only for a day's token strike, nearly 400 skilled workers were dismissed by them illegally. Not only have they been dismissed, but they have been blacklisted. They have not been able to get employment for these seven years and they are starving. They have come here for a token hunger strike to draw the attention of the hon. Members and the country as a whole.

So, I suggest that this loan should be converted into equity shares, which will be a start in the process of nationalisation. Soon, these two plants should be taken over by the public sector so that a firm policy of speedy industrialisation will be possible. The present mixed economy of the private and public sectors is like freak twins, one fattening itself at the cost of the other. Under this system, the private sector will go on acquiring profits and challenging the authority of the Government. The Tatas have the audacity to call the Bihar Chief Minister as the Sardar of Goondas.

The Third Plan envisaged the demand for coal at 80 million tonnes in 1964-65 and about 99 million tonnes in 1965-66. In the mid-plan appraisal in 1963 it was revealed that the demand was not likely to come up. This has created some problems like the unemployment problem. Large stocks of coal are lying at pit heads and there is the danger of their catching fire. This shortfall was attri-

buted to the shortfall in steel and power programme and the sizeable demand in the Railways. The coal industry as a whole, whether it is private sector or the NCDC are facing a sort of a crisis. The NCDC with its large investment and top heavy administration cannot sell its product. The managing director of the NCDC has been reduced to the position of a salesman who is not able to sell his product. There is a mine near Bokaro thermal plant and the Bokaro thermal plant does not buy coal from the NCDC. It buys it from a contractor but the contractor does not own any mines. He buys from the NCDC mines at a higher rate and sells it to the thermal plant at a lower rate. I have never heard of such business. It is not a charity. Obviously the Bokaro thermal plant is buying certain amount of mud with coal or it is under-weight. This can be avoided by creating a sort of a market from among the public sector projects.

The NCDC has acquired certain lands in the Sudandi area mainly from adivasis and other poor people. No compensation has yet been paid though for 3-4 years they have been trying hard to get some compensation. I will not go into details for want of time. The demand for the low grade coal could be raised.

In the Singhbhum district there are non coal mines such as manganese ore mines belonging to the Tatas and the IISCO and a large area of cultivable land remains useless and barren because the refuse is spread on that land. Thus cultivable land becomes barren and it should be looked into by the Government

I have no grudge when they give the privileges to the INTUC if it could bring industrial peace. I do not mind that. This method of giving favoured treatment to INTUC has not yielded results. So some sort of a democratic process should be evolved in recognising the unions.

Shri A. P. Sharma (Buxar): INTUC is not recognised by favour.

Dr. U. Misra: I am not grudging it; I have said it. The INTUC may get recognition provided they could maintain industrial peace.

Shri A. P. Sharma: Industrial peace can be disturbed even by a small number.

Dr. U. Misra: Public sector undertakings should show some good examples. The Government is committed to a certain bonus scheme. The NCDC workers gave notice of a token strike for one day. Though 90 per cent of the workers voted for it they withdrew it as a gesture to the public sector. But minimum courtesy is not shown by the NCDC. I understand that the board has now taken a decision that unless the Bill is enacted they will not pay even a part of it.

Mr. Speaker: The hon. Member's time is up.

Dr. U. Misra: In Bhilai 10,000 workers are facing retrenchment which should be looked into. The union President Sudhir Mookerjee is going on a hunger strike.

Sir, I may be given a little more time. I speak only on this demand; I do not speak at other times. The employees of the office of the Steel Controller are also facing retrenchment and their fate must be looked into.

I also urge upon the Government to look into the plight of the Tata workers. They are skilled workers. If you could not force the Tatas to take them, you can absorb them in the Government plants. I have to say a few words about the mining engineers. They cannot be employed elsewhere; they are for a specific job. The mining engineers are either not getting employment or they are under-employed. There is dissatisfaction and there was a strike. Excuse that the mining college of the Hindu University, the mining department of the Khargpur IIT and the Dhanbad Mining Institute all the

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others should be closed till we need more mining engineers. If they are to be sent to Africa and other places, their service conditions should be scrutinised before they are sent.

Shri Vidya Charan Shukla (Mahasamund): Mr. Speaker; it is rather unfortunate that this Ministry has been changing hands very quickly; since 1961-62 for which the figures are given in the annual report, four Ministers have handled this Ministry. I think that most of the drawbacks that we see is due to the fact that none of these Ministers had time to initiate a policy and see that it is implemented properly. The preceding speakers devoted most of their time to steel and other connected matters and so I will say a little about steel at the conclusion of my speech and I would devote most of my time to the minerals department which had been neglected not only by the speakers here but by the Ministry also. Minerals which form a very important base for our industrial development have suffered in the race for the steel products, minerals like gold, manganese and so on. I am talking of minerals which have no connection with the production of steel. The first and foremost reason for the neglect in the mineral development is the very scanty and insufficient geological mapping and the absence of proper prospecting. We know of many areas in Central India as well as in other parts of the country which are very important and which are known geologically to contain all kinds of minerals. But there is no systematic geological mapping there nor any systematic prospecting has taken place. I would mention the case of the Vindhya Pradesh region of Madhya Pradesh, which is composed of pre-Cambrian rocks which are known to be the mother bed rocks of all kinds of non-ferrous minerals and other things. I tried to see the geological mapping there; I am afraid not much work has been done

there. The first and foremost thing that the hon. Minister should try to do is to order a complete and thorough geological mapping of the areas which could be rich in mineral resources. And then a regular prospecting could be taken up. For this, the Geological Survey of India will have to be strengthened. Recent years have seen a great expansion in the GSI. But I personally feel that much more needs to be done to strengthen the GSI which is one of basic organisations and does a very good work for mineral production.

Today, most of the requirements of non-ferrous metals have to be met by imports, and this is a very tragic situation mainly because the non-ferrous metals can be really produced in India. There are deposits which are known. We have only to prospect and prove them properly. I for one do not feel that we are deficient in the resources. I feel that not proper work has been done to find out the resources. I remember in the olden days, when I was in the college, I used to read that India is a very poor country in regard to petroleum resources and we will not be able to meet our own requirements of petroleum by indigenous sources but that we shall have to remain as an importing country in this regard. But now some good work was done by the Oil and Natural Gas Commission. We have discovered many sources of oil and we will discover many more, and I am sure we will become self-sufficient in oil. In the same way we can become self-sufficient in the non-ferrous metals if proper work is done. Shri Morarka, in whose constituency the Khetri project lies spoke a little about it. It is a very sorry tale. For 10 years this project has been hanging fire. Not much work has been done about it. A lot of progress could be made. The difficulties that beset the progress are not very formidable. They are very ordinary and commonplace difficulties. I think the greatest difficulty has been the

lack of seriousness to develop the non-ferrous metal resources.

The handling of the mineral rules and laws has been very, very discouraging, and if I may say so, it has been almost criminal. The so-called reservation for the public sector use has been so grossly misused that areas extending to many thousands of square miles in all the States were reserved irrespective of the use or requirements of the public sector industry. We can understand if the areas can be kept reserved for a few months or one year, but in certain cases these were kept reserved for four to five years, and ultimately a little bit of area here and there has been released. Even today, the amount of areas that have been reserved is too much for the industries which are existing or which may come into being. We can understand about such reservation if these areas which were kept reserved for the industries were properly proved and prospected. But nothing has been done in that direction. I personally feel that the Government should do one thing: they may reserve all the areas which are required and there is no quarrel about that, and they may reserve the areas for 20 years together. But then, the smaller plots in those areas which are kept reserved and which cannot be used by the public sector should be quickly released.

Then, the mineral concession rules have been framed in a very peculiar manner. I personally feel that they do more to retard the growth in mineral production than to help it. There is hardly any regulation in which we can find anything which helps the mineral industry. I will just cite one example. There is a provision in these rules that when a man makes an application for prospecting licence or a mining lease, and if it is not disposed of within nine months of the date of making the application, then it is automatically rejected. This rule has been found to be a most convenient method by the bureaucracy to reject the application of a person whom they do

not like. They just put down the file and after nine months the applicant is informed that because nothing has been done for nine months his application has been rejected! Although I personally feel that this provision was put in the rules for a better purpose, it is being misused like that, and the Government is doing nothing about it. As a matter of fact executive action cannot help in this respect, and the rules must themselves be thoroughly amended.

Then I come to the Indian Bureau of Mines. I would not say much about it. Suffice it to say that it is the sick-child of this Ministry. A lot requires to be done. If I go into the details of the affairs of the Indian Bureau of Mines, which I happen to know, the entire time will be taken up on that subject. I hope the present Minister will go deeply into the affairs of the Indian Bureau of Mines and improve its working. It has been doing its work in a most inefficient manner, and it has not discharged its duties for which it was conceived. That the Indian Bureau of Mines is not doing proper work is not my opinion only. It is the opinion of the NCDS and NMDC, and when I was in the Estimates Committee, we went into these things and we found **how this was acting as the fifth wheel.** We have been seeing that rather than helping the public sector, corporations, the IBM has always been coming in the way of the quick disposal of cases, quick prospecting, etc., I am glad that recently the Ministry has given more latitude and more facilities for the public sector corporations to do their own prospecting so that they can do the mining work quickly.

In this connection, I would like to tell the hon. Minister that this Mineral Advisory Board should be made into a statutory board. Much less important boards have been put on a statutory basis like the Animal Board and several other boards which the Government have been pleased to form. But this very important Board which does yeoman service to the mineral industry and to the Government in

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advising the Government on a complicated matter like the mineral industry has been formed just by an executive order. I hope the present Minister will examine the possibility of putting this Board on a statutory basis.

Another factor which has been inhibiting the mineral industry is that so far, no distinction has been made between small-scale mining and big-scale mining. The result has been that such rules and such procedures as have been prescribed have completely killed the initiative and the profit-making capacity of the small mine owners. According to the rules everybody is supposed to employ a geologist. They are not supposed to proceed by themselves. And the amount of returns and the forms that have to be filled and so on is so much that a man, small mine owner, whose capacity of production is only 1,000 tons or 2000 tons per annum has to spend all his money in doing all these things if he wishes to comply with all these rules and regulations, it is simply impossible. That is why the small mine owner does not come in and most of the small mine owners have closed down, and it is only some dishonest men, by cheating and bribing the local officials, continue in the field. This is an unhealthy state of affairs. The work of a mining company which produces 50,000 tons or a lakh of tons per year cannot be done by a man who produces only 2,000 tons or 5,000 tons. This mineral industry is recognised as an export industry. While the ordinary industries are distinguished between big industry and small-scale industry, no such distinction has been made here. And this creates a lot of complication for the small mine owners. Today according to the Industrial Policy Resolution, small-scale mining is almost the only thing left with the individual or the small people in the up-country areas, but even they cannot do much because of this inhibiting factor.

About the non-ferrous metal production, there is a very disturbing trend which has been given in the

report of this Ministry. The production of all important minerals has gone down. I am reading the figures as given in the report, and they are given in thousands of tons. Iron ore—which is not non-ferrous, but it is also important—has come down in production. From 19,730 in 1962-63 it has gone down to 17,037. Production of manganese ore has gone down from 1635 to 1181. But the most disturbing aspect is with regard to copper, lead and zinc. Copper production has gone down from 494,000 tonnes in 1962-63 to 438,000 tonnes. Production of lead concentrates has gone down much more drastically from 7358 to 5736, all within 3 years. Production of zinc concentrates has gone down from 11,000 to 10,000 tonnes and odd. This is very disturbing. As we are progressing with our plans in which much emphasis has been laid on production of non-ferrous metals this trend shows that we are not making any progress, but whatever progress was made earlier is being lost now. The only saving grace is it seems since last year, there has been some progress made. The credit for this should go to the present Minister. I am sure he is giving a lot of attention to the growth of non-ferrous metal production.

Dr. M. S. Aney: Wait and see.

Shri Vidya Charan Shukla: We have seen for 11 months and I am sure the work done in 11 months will be carried forward. I hope he will continue in the same portfolio.

A word about the location of steel plants. This is a very ticklish matter. All kinds of very strong political pressures are being brought about for location of steel plants in various States. We have seen the ill-effects of locating Rourkela steel plant where it is. It is a very uneconomical location for a steel plant producing steel by the LD process, which requires high grade limestone. As a matter of fact, LD process steel plants should have been located near limestone deposits where calcium carbide,

high grade lime-stone ore is available. The Russian plant should have been located in Orissa, because it does not require very high grade limestone. Rourkela is getting limestone from Satna and Nandini areas in M.P. They cannot produce steel economically unless they get limestone very near. The Birmitrapur limestone on which they were supposed to function has proved absolutely useless for it. The same thing can happen with the new plants if proper care is not taken to see that the steel plants are located in areas best suited for their economic production. That should be the only consideration. I plead with the Minister that he should disregard every pressure and consideration while locating a steel plant except the economic production. I know there is a lot of pressure on him from Andhra Pradesh and the Assembly there has adopted a resolution that the next steel plant should be located in Vizag. I find he has resisted that pressure. There have been allegations of parochialism against him, which are absolutely wrong. I would plead with him again and again to ignore them and locate a steel plant strictly based on economic feasibility and nothing else.

Mr. Morarka who normally gives precise information gave some information which, in my opinion, is wrong.

Mr. Speaker: And therefore, it was precise?

Shri Vidya Charan Shukla: It was not precise. He normally gives precise information, but today he gave incorrect information in my opinion. He said that the quality of limestone in India is not very high. He probably did not know that millions and millions of tonnes of deposits of high-grade limestone have been discovered in Eastern Madhya Pradesh, Orissa and South Bihar and calcium carbide grade limestone. There is so much of it and I do not think we can utilise it in thousand years.

I will again plead with the minister to give some indication about production of non-ferrous metals.

Shri T. Subramanyam (Bellary): Sir, the year 1964-65 saw the operation of the three steel plants in the public sector after the teething troubles and infantile difficulties were over. After all that, they have got into production and we laid the basis for further development. With regard to their achievement, the percentages work out very successfully with regard to their rated capacity, at the end of 1964. In hot metal, Rourkela registered 90 per cent, Bhilai 114 per cent and Durgapur 104 per cent. With regard to steel ingots, Rourkela registered 94 per cent, Bhilai 113 per cent and Durgapur 98 per cent. With regard to saleable steel also there were satisfactory figures achieved.

Iron and steel constitute the very basis of our economic development and industrial progress. So, we should take great care while starting future plants. Before I come to the fourth plan. I would like to state some of the bright features which have been registered. The Central Engineering Designs Bureau was strengthened. Its present strength is 434 consisting of 146 engineers. It is heartening to see that the project reports for the expansion of Rourkela and Durgapur plants from 1 million to 1.8 million and 1.6 million tonnes respectively were also prepared entirely by this bureau and the progress is under their overall supervision. Even with regard to further expansion under the fourth plan, this bureau has taken up this task. To provide training for our technical personnel, the institute at Durgapur steel plant was fully established during 1964-65 and training facilities were also being provided at the steel plants, minimising the need for training abroad.

The per capita output of labour in our country is very poor. To get over this some sort of revised incentive bonus has been brought into effect in 1964 and more employees whose efforts could be identified and linked with increased production have been brought under this scheme. But the industrial relations unfortunately have not been very satisfactory.

[Shri T. Subramanyam]

12.37 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

In some places there was stoppage of work as also other difficulties which consequently affected production adversely.

With regard to Bokaro steel project, the agreement was signed on 25-1-65 between USSR and India for cooperation for the construction of this integrated iron and steel works. It will be India-built with the assistance of Soviet specialists and Indian specialists to be trained by Soviet organisations. Both sides promote maximum participation of Indian organisation from the stage of designing right up to the stage of erection. That is a good feature. A rather unfortunate comment was made previously, but I think there are some good features with regard to the Bokaro steel plant.

A word about the Mysore Iron and Steel Works. The erection of machinery to increase the production from 42,000 tonnes to 1 lakh tonnes has almost been completed. This is expected to be commissioned shortly.

With regard to alloy steel conversion also, an agreement has been signed with a West German concern to meet the foreign exchange part of the equipment and this is likely to be completed in 1967-78. There is also a scheme with respect to the Mysore Iron and Steel Works for producing 1.2 lakh tons of pig iron.

I would now dwell at length with regard to the future programme of iron and steel production. By 1965-66 the demand for pig iron is expected to be 2.65 million tons while at present the actual production is only 1.2 million tons. With regard to steel ingots, in 1965-66 the demand is expected to be 11.3 million tons but the actual production is expected to be 8.9 million tons—that is only the target that has been fixed and I do not think we will be able to realise even that. With regard to the Fourth

Five Year Plan, pig iron demands are stated to be 4.56 million tons while we are actually making arrangements to produce 4.00 million tons. With regard to steel ingots the demand is likely to be 20 million tons but actually we are creating a capacity for 16.5 million tons. This is how it is sought to be achieved. From 8.9 million tons in the Third Plan, it is expected that the present steel plants which are in operation would increase their capacity to 13.5 million tons. And, in addition to the Bokaro project which may initially produce about 1.5 million tons to 2.00 million tons, another steel factory is a must in the Fourth Five Year Plan.

Both strategy and transport require that it should be started somewhere in South India. With regard to strategy I need not dwell at great length. Recently we have seen that our neighbours Pakistan and China are not only undependable but they are absolutely unscrupulous and hostile to India. Therefore, it is not wise to concentrate all our steel plants in only one place. With regard to transport, we have to transport raw material to the places or plants where iron and steel are manufactured and also distribute the finished products to the various centres. From this aspect also we have to examine this matter. Feasibility studies have been conducted recently with regard to the starting of steel plants at three places Hospet—Goa, Bailadilla—Vizag, and Neyveli—Salem. These feasibility projects are being examined, they are being evaluated and ultimately a decision will be taken.

In this context, I would like to plead strongly with all the seriousness at my command that the steel plant should be started, under the Fourth Plan, in Hospet-Bellary area. It has got some special reasons. The iron ore reserves there are of the most precious variety in the whole world. It is not my opinion, a layman's

opinion, but it is the opinion of technicians and experts who have come from abroad. The Mysore Government surveyed this reserve of iron recently. There was a surface examination by the Mysore Geological Department to see the reserves. They found that even within a depth of 30 metres, more than 1000 million tons of excellent iron ore is available. Deeper reserve would provide another thousand million tons. Besides this the float ore is supposed to be about 250 million tons. To use float ore in the steel plants would comparatively cheaper. It will work out cheaper and, therefore, this is an additional advantage.

Now, from the point of view of availability of raw materials, I said, that iron ore is of the best variety and available in very large quantities. With regard to transport facilities also, as I was just now saying, Bellary occupies a central place. From Bellary finished products could serve the needs of Mysore, Andhra, Maharashtra and also Madras where the finished products could be taken. Moreover, a broad gauge line is being laid now, it is almost complete and by the end of the year it will be ready for use, from Guntakal to Hospet. The question of availability of land is also there. We can have any extent of land at a cheap price.

श्री हुकम चन्द कछवाय (देवास) : मेरा व्यवस्था का प्रश्न है। हाउस में कोरम नहीं है।

Mr. Deputy-Speaker: The Bell is being rung.

Now, there is quorum. The hon. Member may continue his speech.

श्री मधु लिवये (मुंनेर) : अध्यक्ष महोदय
.. ..

Shri T. Subramanyam: Then, Sir, limestone is one of the important raw materials. That is also available adequate and large quantities in Bijapur District of Mysore State and neighbouring districts of Anantpur,

Kurnool and Cuddappa of Andhra State. There is also water which is non-saline. We have got water of excellent quality, and that too in large volume, from the Tungabhadra reservoir which can be put to use. There is the low level canal and the high level canal. Then, from the reservoir itself water could be taken directly depending on the site selected. With regard to electricity, I am glad to state that Mysore has got very good potentiality; not only potentiality but actual production also. Very recently, the second generating unit of the Sharavathi project has gone into commission. Now, the power that is to be used for this steel plant is about 100,000 kw. The Sharavathi project can generate 1 million kw. Therefore, when there is further scope for expansion of the steel plant to 4 million tons in future, its entire power requirements can be met by this project.

Considering all these factors, I submit that Bellary-Hospet provides the best place or locality for starting a large-size steel plant. Just now the foreign experts of the Anglo-US Consortium have gone round and seen the different localities. They would be submitting their report before the end of May. I am sure that the very energetic and zealous Minister of Iron and Steel will see that a decision is taken with regard to the starting of the steel plant purely on merit and technical advice.

श्री युद्धवीर सिंह (महेन्द्रगढ़) : इस्पात मन्त्रालय के ऊपर मुझ से पहले कितने ही वक्ता बोले हैं और उन्होंने कई बातों की ओर सरकार का ध्यान खींचा है। अपने सीमित समय को ध्यान में रखते हुए मैं केवल एक बात की तरफ सरकार का ध्यान खींचना चाहता हूँ। इसमें कोई शक नहीं है कि जहाँ तक इस्पात का सम्बन्ध है, लोहे का सम्बन्ध है, उसकी उपज और उसके उत्पादन पर ही देश की उन्नति, देश की तरक्की निर्भर करती है। इस मन्त्रालय का काम अच्छी तरह से चले

[श्री यद्वीर सिंह]

इसके ऊपर आपकी सारी की सारी जो योजनायें हैं, वे टिकी हुई हैं।

बिना किसी भूमिका को बांधे हुए मैं सीधे तौर पर अपनी बात पर आ जाता हूँ। मुझे कुछ शिकायत इस मन्त्रालय और खास तौर पर मन्त्री महोदय से करनी है। बहुत दिनों से इसकी चर्चा है और व्यक्तिगत तौर से भी मुझे इसका पता है और कुछ जो यूनियनों हैं, उनकी तरफ से भी कुछ नमाइंदगियां लगातार हो रही हैं मैम्बरों के पास और इसी बात को ध्यान में रख कर एक सवाल भी पिछले दिनों सरकार से पूछा गया था और जो उसका जवाब दिया गया था वह किस हद तक सही है यह भी मैं आपके ही रिकार्ड से आपको बताऊंगा। ये जो छोटी छोटी मिलें हैं, जो लघु उद्योगों के अन्दर आती हैं, स्माल स्केल में जो आती हैं उनमें और जो बड़ी बड़ी मिलें हैं उनके अन्दर कुछ अन्तर सा पिछले सात आठ सालों से रखा जा रहा है या नहीं रखा जा रहा है और अगर रखा जा रहा है तो उसका क्या कारण है यह सवाल ? किसी भी तर्क से या दलील की भाषा में यह बात समझ में नहीं आती है। पिछले दिनों जब प्रश्न पूछा गया था वह मद्रास से सम्बन्ध रखने वाला सवाल था और उसमें पूछा गया था कि क्या कोई ऐसे आपस में आप मतभेद रख रहे हैं इस तरह मिलों के अन्दर तो उस वक्त आपको अच्छी तरह से याद होगा कि सरकार ने कहा था सारे के सारे सवाल पर जोर देते हुए कि ये जो छोटी छोटी रि-रोलिंग मिलें हैं मद्रास में या किसी और स्थान पर, इनकी जब स्थापना हुई थी उस वक्त हमने इनके साथ समझौता किया था या कंडिशन लगाई थी कि जो तुम्हारा लोकल माल है, जो तुम्हारे यहां का अपना कच्चा माल है उसके ऊपर ही तुम निर्भर करके मिलों को चलाओगे। और इन लोगों ने भी इस तरह की कंडिशन को मान लिया था। यह सवाल 26 मार्च को पूछा

गया है और यह प्रोसीडिंग्स के अन्दर है और चार पांच मैम्बरों ने काफी दबाव देकर बार-बार पूछा था और सरकार का जवाब सुनने के बाद शायद उस वक्त तमल्लू भी उनको हो गई हो। लेकिन चूंकि बहुत से आदमियों की जिन्दगियों का इसके साथ सम्बन्ध है और दूसरे हमारी यह नीति भी है कि छोटे छोटे जो उद्योग हैं उनकी तरक्की की जाए जिन में चालीस चालीस और पचास पचास आदमी काम करते हैं, उनकी रक्षा की जाए, उनको जो मछलियों की शक्ल में बड़े बड़े कारखाने हैं, मिलें हैं टाटा की हैं या सरकारी बड़े बड़े कारखाने हैं जैसे भिलाई, दुर्गापुर आदि इनको इन मगरमच्छों के मुंह में जाने से बचाया जाएगा। सरकारी दफ्तरों के रिकार्ड को आप देखें तो आपको पता चलेगा कि जिम तरह की कंडिशन लगाई गई थीं उनका जिक्र कहीं नहीं है, कोई इस प्रकार की बात नहीं जिस प्रकार की सरकार ने बात हमारे सामने रखी थी। यह आर्डर मेरे हाथ में है। यह इनके मन्त्रालय का आर्डर है। यह कोई सी०वी०आई० की रिपोर्ट नहीं है। 1960 के अन्दर एक गजेट नोटिफिकेशन निकाला था जिसके अन्दर उन्होंने यह बताया था कि पचास तक जिनमें काम करने वाले आदमी हैं वे अपनी मिलें बना सकते हैं और जो मिलें वे बनायेंगे उनमें, जो दो तीन कंडिशन का जिक्र किया गया है, इनमें से किसी का कोई जिक्र नहीं है। कहीं कुछ भी नहीं इन कंडिशन के बारे में लिखा हुआ है कि जो लोकल प्रोडक्शन है उसके ऊपर आप डिपेंड करेंगे या तुम को कोई गारण्टी देनी होगी सरकार को जो भी मिलें खुलेंगी उनको उसी सूरत में मंजूरी दी जाएगी जबकि वे यह लिख कर देने को तैयार होंगी कि जो लोकल माल है, जो कि उनको वक्तन फव्वतन मिलता रहता है मौके बेमौके मिलता रहता है, एलाट होता रहता है किसी भी शक्ल में खाली उसके ऊपर ही वे निर्भर करेंगे। ऐसी कोई जनरल बात भी इस नोटिफिकेशन के अन्दर नहीं है। लेकिन सरकार की तरफ से

26 मार्च को जो जवाब दिया गया है वह बिल्कुल अंधूरा जवाब है। सारी की सारी बात के साथ उसका कोई सम्बन्ध नहीं है। जो बात सरकार की तरफ से कही गई है उसके अन्दर जहां तक सत्यांश है इसको मैं प्रार्थना करता हूँ कि मन्त्री महोदय अपने उत्तर में स्पष्ट करें। मुझे वे बतायें कि क्या कोई और आर्डर उनके पास मौजूद है? जिस आर्डर का मैंने हवाला दिया है वह गवर्नमेंट आर्डर है और उसकी कापी मेरे पास मौजूद है और उसी के आधार पर मैंने सारी की सारी बात कही है।

मैं अपनी बात और स्पष्ट करना चाहता हूँ। जब नोटिफिकेशन हो गया कि पचास आदमियों तक काम करने वाली जो छोटी छोटी मिलें हैं ये भी एग्जिस्टेंस में आ सकती हैं ये भी बन सकती हैं उस वक्त दो प्रकार की प्रायः मिलें 1960 के बाद बनीं। एक तो रजिस्टर्ड रि-रोलिंग मिलें बनीं जिनको सरकार ने मान्यता दी और जिन के बारे में सरकार ने अपने ऊपर यह जिम्मा लिया कि जो कच्चा माल है, बिलेट्स हैं, स्कैप है या दूसरी चीजें हैं वह उनको सरकार की तरफ से मिलती रहेंगी और दूसरी अनरजिस्टर्ड मिलें बनीं। मेरा जो प्रश्न था वह इन अनरजिस्टर्ड मिलों से ही ज्यादा सम्बन्ध रखता था। इसी पर मैं अब भी जोर दे रहा हूँ। जो अनरजिस्टर्ड मिलें हैं ये लघु उद्योगों के अन्तर्गत आती हैं उनको बचाया जाए। इस भावना को सामने रखते हुए मैं आप पर दबाव डाल रहा हूँ। रजिस्टर्ड मिलों के लिए तो यह कर दिया गया कि उनका सारे का सारा जो माल है, बिलेट्स वगैरह है उसको सरकार उनको देती रहेंगी लेकिन शर्त यह होगी कि जो माल बनेगा, जो उनका प्रोडक्शन होगा वह स्टील मिनिस्ट्री, स्टील कंट्रोलर की डायरेक्शन के अनुसार बाजार के अन्दर बिकेगा। जो रजिस्टर्ड मिलें थीं जो बड़ी बड़ी मिलें थीं उन्होंने जो कुछ भी बनाया और बाजार के अन्दर उसको बे लाई तो उसकी छिमत सरकार ने निश्चित की,

उस सारी की सारी चीज को सरकार ने कंट्रोल किया और उसके बदले में उनको कच्चा माल देने की जिम्मेदारी ले ली। इस मामले में सरकार के ठेकेदार उनको आप समझ लें, इस प्रकार वे काम करती रहीं, अपना काम चलाती रहीं, जो अनरजिस्टर्ड मिलें थीं जो लोकल ढंग से सामान इकट्ठा करके अपना काम चला रही थीं और किसी में साल में पन्द्रह परसेंट काम होता था किसी में बीस परसेंट और किसी में तीस परसेंट, उनके बारे में जो झगड़ा पड़ता है वह 1964 के बाद पड़ता है। आपके मन्त्रालय ने आदेश जारी किया जिसके तहत कुछ स्टील की बनी हुई चीजों का डिक्स्ट्रोल किया गया था और डिक्स्ट्रोल करने के बाद रजिस्टर्ड मिलों को जिन को आप बिलेट्स वगैरह दे रहे थे कंट्रोल रेट के ऊपर उनको भी आपने छूट दे दी कि बाजार में जाकर वे कुछ किस्म का अपना माल बेच सकती हैं। उसके पहले अनरजिस्टर्ड मिलें जिनको माल नहीं मिल रहा था और जो अपने लोकल साधनों से माल जुटा कर छोटे छोटे कारखाने चला कर अपना गुजारा करती थीं और साथ ही साथ बीस तीस आदमियों का गुजारा कर रही थीं, वे ही केवल बाजार में इस तरह से अपने माल को बेच सकती थीं। लेकिन ये जो बेचती थीं ये सरकार के द्वारा बेचती थीं। 1964 के इस आर्डर के बाद जब आपने कुछ स्टील की आइटम का डिक्स्ट्रोल किया उस वक्त उनको भी आपने छूट दे दी कि वे भी बाजार में अपना सारा माल बेच सकती हैं और स्टील कंट्रोलर का इससे कोई ताल्लुक नहीं रहेगा, तो इसका मतलब यह हुआ कि यह सुविधा रजिस्टर्ड और अनरजिस्टर्ड दोनों प्रकार की मिलों को मिल गई। इसमें कोई झगड़े वाली बात नहीं है।

13 hrs.

लेकिन झगड़ा अब आता है। इसी प्वाइंट के ऊपर मैं खास तौर से जोर देता हूँ। इस चीज के ऊपर सरकार का खास तौर से मैं ध्यान

[श्री युद्धवीर सिंह]

खींचता हूँ। क्या इसके अन्दर न्याय और इमाफ की बात है और अगर है तो कहां तक है? आपने डिक्स्ट्रोल करके उनको छूट दे दी कि आप भी अपने माल को बाजार में बेच सकते हैं और उधर उनको विलेट्म भी आप पहले ही की तरह से देते रहे, कच्चा माल भी पहले की तरह से ही उनको सप्लाय होता रहा और जो अनरजिस्टर्ड मिलें थीं उनको पहले विलेट्म वगैरह मिल रही थीं और न अब, न पहले कच्चा माल आप दे रहे थे और न अब। उनको छूट देने का अगर यह हुआ कि जो स्त्रीप इन मिलों ने इनसे लेना था, लोकल माल लेना था, वह मिलना बन्द हो गया और उसके अलावा मनमानी कीमतें कण्ट्रोल उठने की वजह से उन लोगों ने रखनी शुरू कर दीं। न तो रेलवे का कोई नियम इनके सामने रहा, डेस्टिनेशन को एफ० ओ० आर० बनायें या डिस्पैचिंग स्टेशन को एफ० ओ० आर० बनायें, कोई बात उनके सामने नहीं रही। अपनी मनमानी कीमतें चाँज कर के उन्होंने दूर दूर के स्थानों को माल भेजना शुरू कर दिया। ऐसी शिकायतें मद्रास की तरफ से आई हैं, उन की नुमाइन्दगी हमारे मेम्बर्स के पास पहुंची है कि मद्रास जो है वह बहुत दूर पड़ता है सारे के सारे स्थानों से, जहां पर कि मिलें लगी हुई हैं। पहले कच्चा माल और स्त्रीप वगैरह मिलता था एफ० ओ० आर० डेस्टिनेशन, अब उन्होंने कर दिया है एफ० ओ० आर० डिस्पैचिंग स्टेशन। एक तरफ तो हम कहें कि वे मिलें रहें, स्माल स्केल इंडस्ट्रीज जो हैं वह भी जिन्दा रहें, दूसरी ओर जब माल एफ० ओ० आर० डिस्पैचिंग स्टेशन होगा तो वहां पहुंचते पहुंचते कितनी कीमतें बढ़ जायेंगी, एक्साइज ड्यूटी वगैरह लगा कर, इस का अन्दाजा कीजिये। जब वह अपना माल बना कर उन मिलों से कम्प्टीशन में आयेंगी जिन को सरकार कच्चा माल कंट्रोल से दे रही है, तो उन के लिये सिवा खुदकुशी करने के कोई और चारा नहीं रहेगा। जितनी छोटी छोटी मिलें हैं वे चीख और

चिल्ला रही हैं। जब भी वह सरकार के पास आते हैं तो सरकार अपने सेक्रेटरीज से पूछती है, उन सेक्रेटरीज से जिन्होंने अपनी बेकार की जिद्द बना रखी हैं। सब से बुरी बात इस वक्त होती है जब जो हमारे राजनीतिक मंत्री होते हैं जो राजनीतिक रूप से अपने मंत्री पद को प्राप्त करने वाले होते हैं, वह अपनी अक्ल न दोड़ा कर सिर्फ सेक्रेटरीज पर डिपेन्ड करते हैं। सेक्रेटरीज का अपना रवैया होता है, वह अपने एक अलग डरें पर चलते हैं। जब सरकार ने अपनी नीति घोषित की है कि वह स्माल स्केल इंडस्ट्रीज को पूरी तौर से प्रोत्साहन देना चाहती है, उन को पूरा प्रत्न्य देना चाहती है, तो कोई कारण नहीं समझ में आता कि आप के सेक्रेटरी ने आप को क्या बतलाया कि २६ मार्च को एक प्रश्न के उत्तर में सरकार ने यहां गलत जवाब दे दिया। ऐसा आखिर क्यों हुआ? जब यह स्थिति है तो मैं आप से पूछना चाहता हूँ कि आखिर उस का क्या कारण है। सरकार क्या इस प्रकार की सारी बात को हटाने की स्थिति में है।

इसी सन्दर्भ में यह जिक्र किया गया कि सरकार सारा का सारा माल देती है ऐसो-सिएशन को। यह इतना बेतुका जवाब दिया गया है कि कोई भी समझदार आदमी सही बात का पता लगा लेगा। जवाब में कहा गया कि जो बड़ी बड़ी मिल्स हैं उन की जो ऐसो-सिएशन बनी हुई है रजिस्टर्ड, सरकार उन को माल देती है। उस के बाद उस का इस मामले में कोई ताल्लुक नहीं है। मंत्रालय सीधा डील करता है ऐसोसिएशन के साथ। इस लिये रोलिंग मिल्स की रजिस्टर्ड ऐसो-सिएशन बनी हुई है उस से आप बात करें। अब चूंकि वह बहुत बड़ी बड़ी मिलों की ऐसो-सिएशन है इस लिये जो छोटी छोटी मिलें हैं उन को वह लेना नहीं चाहती, दूसरी तरफ सरकार उन की बात मुनने को तैयार नहीं

हैं क्योंकि वह ऐसोसिएशन बनी हुई है। यह बेचारे बीच में फंसे हुए हैं। ऐसोसिएशन उन की बात नहीं सुनती है और सरकार ऐसोसिएशन ही पर सारी बात डालती है। इस सब को देख कर मेरी समझ में आता है इस में दोनों की मिली भगत है। यह सब लोग मिले हुए हैं अब छोटी छोटी मिलें चाहे वह मद्रास में हों चाहे यू० पी० में हो या चाहे पंजाब में हो.....

डा० मा० श्री अग्ने : नागपुर में हैं।

श्री युद्धबोर सिंह : सारे के सारे देश में है। सारी की सारी उन की तरफ देखती है। मैं एक बड़ी मोटी सी बात पूछना चाहता हूँ कि जब आप लाखों करोड़ों रुपये खर्च कर रहे हैं, आप ऐसोसिएशन के जरिये सारा माल बड़े बड़े रजिस्टर्ड मिलों को देते हैं तब क्या आप को यह कहना शोभा देता है कि ऐसोसिएशन पर आप का कंट्रोल नहीं है और उन से नहीं कह सकते कि दूसरों को मेम्बर बनायें। आप ने ऐसोसिएशन के मेम्बरों को छूट दे रखी है। यह करना कहां तक ठीक है। जो ऐसोसिएशन बड़ी बड़ी रजिस्टर्ड प्राइवेट मिले बनाती हैं उस में आप इंटरफियर नहीं कर सकते लेकिन आप उन को करोड़ों रुपयों का कच्चा माल दे सकते हैं। यह कितनी ऊट पटांग बात है। इस से यह शक पैदा होता है कि आप सब की मिली भगत है। लोगों के दिलों में शक पैदा होता है और वह चीखते चिल्लाते हैं।

मेरे जैसे आदमी के सामने सब से बड़ी समस्या यह है कि जब सन् 1960 में आर्डर पास हुआ तो मेरे प्रान्त पंजाब से सैकड़ों आदमी थोड़ी थोड़ी पूंजी लेकर अपना बोरिया बिस्तरा समेट कर वहां जा पहुंचे, मद्रास सरकार के एग्जोरिस पर और केन्द्रीय सरकार के आर्डर पर। वह सब अपने घरों को छोड़ आये लेकिन मद्रास में मिलें बन्द

पड़ी है। छोटी छोटी मिलें हैं, जिन में तीस चालीस आदमी काम करते हैं। सरकार कहती है कि ऐसोसिएशन के पास जाओ। अगर हमें ऐसोसिएशन के पास जाना है तो फिर सरकार क्यों बंठी है। अगर ऐसोसिएशन इतनी पावरफुल है तो फिर सरकार और इस मंत्रालय की कोई आवश्यकता नहीं रह जाती। ऐसी स्थिति में मेरा कहना यह है कि सारी स्थिति को सरकार देखे और समझे कि क्या यह उन लोगों के साथ इन्साफ हो रहा है, न्याय हो रहा है।

इसी संदर्भ में मैं एक बात और कहता हूँ। अभी पिछले दिनों मैं ने अखबारों में पढ़ा कि सरकार ने कोई कमेटी बनाई है जिस से कहा गया है कि वह अगस्त तक रिपोर्ट दे दे। उस कमेटी में कई सदस्यों के नाम हैं। कोई एस० सी० मुकजी डिपार्टमेंट के हैं, कोई भिलाई के श्री पंजे हैं और कोई श्री शाह हैं। इस में यह तीन मेम्बर हैं। एक मेम्बर भिलाई फैक्टरी के हो गये, दूसरे इस डिपार्टमेंट के कोई आदमी हो गये और तीसरे श्री बीरम शाह रजिस्टर्ड मिल ऐसोसियेशन के मेम्बर हो गये। असली बात यह है कि इसी ऐसोसियेशन के खिलाफ इतनी अधिक शिकायत हो रही है, इतने अधिक झगड़े हैं और उन्होंने एक मोनोपोली भी बना रखी है। जो आप की डिक्लेअर्ड पालिसी है, कांफ्रेंस की, उस के खिलाफ सारी की सारी बातें जाती हैं। इस सारी की सारी टेन्डेन्सी से इस को प्रोत्साहन मिलता है। जब सरकार इतना खर्च करती है इस कमेटी पर, हवाई जहाज से उड़ कर लोग आया जाया करेंगे इस के लिये, उस को आप आश्रय दे रहे हैं तो कम से कम जो छोटी मिल्स हैं उन का एक नुमाइन्दा इस में ले लें। और अगर यह नहीं हो सकता तो कम से कम गारन्टी जरूर दें कि एक आर्डर होगा, एक डाइरेक्टिव जायेगा कमेटी को कि जो छोटी छोटी रोलिंग मिल्स हैं उन के दुःख को, उन के प्रेवान्मेज को वह सुनें और सारी बातें आप के सामने आयें।

[श्री युद्धवीर सिंह]

मैं समझता हूँ कि जो छोटी मछलियाँ हैं वह मगरमच्छों के मुँह की ओर सरकती जा रही हैं, अगर उन से आप उन को बचा सकेंगे तो अच्छा है वरना मगरमच्छों को अब तक जो प्रश्रय है एसोसियेशन के नाम पर, जो मंत्रालय की शह है एसोसियेशन के नाम पर, उस के अन्दर सब के सब सेक्रेटरी मिले हुए हैं। अगर मछलियों को बचाना है, अगर जो हमारी डिक्लेअर्ड पालिसी है स्माल स्केल इंडस्ट्रीज को प्रोत्साहन देने की, उस पर अमल करना है तो निहायत जरूरी है कि इन मगरमच्छों को काबू में किया जाय और इंडस्ट्रीज को प्रोत्साहन दिया जाय। खाली चार या पाँच मिलों के सहारे उन की जिन्दगी को न लटकाये रखा जाय।

Shri L. N. Bhanja Deo (Keonjhar):
Mr. Deputy-Speaker, Sir, we are embarking on a very ambitious plan in our next Plan to raise our steel production to about 17, million tonnes. It is a very happy feature. Last year when I spoke on the Demands of this Ministry I had also emphasized that the plants should be dispersed so that the benefit as a whole accrues to the country; but, at the same time, though I am one with the idea of dispersal of plants, I must bear out with my hon. friend, Shri Shukla, who spoke prior to me, that dispersal should not be the only criterion because in this highly developed economy that we have planned we should export some of our production. So, the basis for the selection of sites and location of these plants should be the economics and the cost of production.

The hon. Minister will, of course, excuse me if I am a little parochial. In this context our Governor who, I must say, is very able like his for-bearer, the late Sir Viswesvarayya who too was an engineer with foresight and who put at a very difficult time. Mysore on the map of industry in the steel sector, put forth a very

able memorandum before the Minister as well as the Planning Commission considering the factors which should determine the location of another steel plant in Orissa—I will be failing in my duty if I do not pay my tribute to our Head of State of Orissa, who, prior to this, was a member of the Planning Commission, who is also a dynamic engineer as everyone knows particularly to rehabilitate the refugees who are coming from East Pakistan because that area is ideally suited to take the surplus population whom we cannot get settled elsewhere. Because our next Plan, as I understand, is going to be on the agro-economic basis and when a State is prepared to take them, we should try to rehabilitate the refugee population that will be coming to our country—though it is not to our liking—due to extraneous circumstances over which we have no control.

Having said that, I would now like to draw the attention of the hon. Minister to a very enlightened article that was published a few days back in the *Statesman* specially relating to the development of non-ferrous metals. It reads like this:

“With regards non-ferrous metals, the task facing Mr. Reddy is a good deal more difficult than in steel. Aluminium capacity is gradually rising, the latest addition being the 10,000 tonne plant at Mettur dam inaugurated in February. Even if output jumps by 25 per cent in the current year, as mentioned by Mr. Shastri at the FICCI annual meeting, the deficit in supplies will still be very large.”

To meet this point which was also emphasized by my friend Mr. Shukla, I also would request the hon. Minister to pay particular attention to the development of this non-ferrous metals industry which has to play its crucial role in our developing economy.

Now I come to another aspect, that is, about the export of iron ore which for a period of time is going to play a very important role in the economy of our country because it is going to a very important foreign exchange earner for us. In this regard, the Chairman of the M. M. T. C. gave some interview which unfortunately brought out some controversy. But it was rightly said by him that though some of our planners think that we should only be embarking on pig iron ore export and not that of iron ore because it is becoming very competitive in a market which is fast developing, but unless we have very heavy carriers which can carry load upto 60,000 tons or above, it will be very difficult for us to compete with the Australian market which is much closer to Japanese market and it is not going to remain a monopoly for our country unless we have effective loading facility which could clear heavy liners that will be coming to carry these ores.

I am glad that Vishakhapatnam is being developed to allow 35,000 to 45,000 tons carriers to come to that port. Similarly Paradeep is being developed to berth 60,000 ton liners and that will open probably from October this year to carry Daitari ore to Japan. Similarly, as I earlier said, Vishakhapatnam is being developed to accommodate heavy ore traffic from Bailadila as well as Kiriburu. In that context may I quote Mr. Josiah Royce who is the head of the Mining and Transportation Division of the United States' Agency for International Development? He has said certain things to which I should like to draw the attention of our hon. Minister as to be borne in mind when we have to meet the keen competition that we are going to face in this regard.

श्री हुकम चन्द्र कछवाय : श्रीमान्,
डाउस में कोरम नहीं है, यह मेरा व्यवस्था
का सवाल है ।

Mr. Deputy-Speaker: The bell is being rung. Now there is quorum.

The hon. Member may continue his speech.

Shri L. N. Bhanja Deo: This is what he has said:

"One potential distortion has crept into the interview in the form of 'loaded' question, however. In the second paragraph on page 43 of Vol. I, No. 4, your question begins, 'The Japan steel industry has to depend on Indian Iron Ore'..

I am quoting this from the book *Minerals and Industries*.

"N. W. Australia, one thousand miles nearer to Japan, has recently discovered several billion tons of ore now under development by Australian and foreign interests.

In addition three new developments are occurring which will change the conventional iron ore marketing procedures.

(1) Iron ore pellets made by grinding, beneficiating and agglomerating iron bearing material double the capacity of a blast furnace. There they take precedence over conventional iron ores regardless of how rich the conventional ore may be, if price is nearly equivalent.

"(2) Large (50,000 to 100,000 ton) ore carriers effect large savings in sea freight which may amount to as much as 1/5 to 1/4 of the total cost of foreign iron ore in Japan depending on point of origin....

—which I have already stressed—

"Development of single product railroads and ports connecting near-shore deposits with the ships is fast becoming an established pattern in the iron ore world."

[Shri L. N. Bhanja Deo]

If we are to meet the competition in the highly developed foreign-competing markets, then we have to bear in mind the things which I mentioned just now.

I will now come to manganese ore which also plays a very important role though the export of this commodity has declined lately due to similarly very competitive market and because our cost of production is very high. Yet if we are to play our role properly which I am sure our M.M.T.C. is capable of playing, we must give them adequate facilities to cater for a competitive consumer or a supplier I am sure that with their capabilities and their finance they could play their role effectively. But probably they are, I am afraid, sometimes frightened of the strictures that they would get from the Public Accounts Committee if they deviate from their financial rules because this market is particularly very tricky where we have to cater for the requirements of the consumers which are not of a rigid pattern. As the hon. Minister knows, it is very flexible and it varies from one blast furnace to another blast furnace. For example, the Durgapur one takes a different percentage of manganese ore and similarly Bhilai takes another percentage of manganese ore and Rourkela takes a still different type of manganese ore.

If we are to cater for a selective market, then we must relax our rules; we cannot afford to have a rigid patterns of contracts or, rules, because the consumer always likes to be accommodated to a certain extent, and in order to meet their particular difficulties, we must have some relaxation. As I have said, these difficulties vary from steel plant to steel plant. That must be much more so when we cater for a foreign market; the variation would be still greater in their case. So, unless we bear that in mind and allow the MMTC to fol-

low certain business procedures which private undertakings follow, it would be very difficult for them to compete in the market.

Then, I come to coal production. The Public Undertakings Committee has pointed out certain defects especially in the organisational pattern and regarding the on-availability of wagons at the beginning. Later the wagons position, should superfluity of them, as the hon Minister of Railways had admitted while speaking on the railway budget. If we go by his statement, then probably the idle capacity of the wagons would be of the order of 1,35,000, but I have checked up from the Railway Board that probably it would be about 32,000. Still, when we frame our plans for developing the economy, if we are not realistic and idealistic like in many spheres, that we are then we shall have to pay a bitter price for it. Therefore, I would urge the hon. Minister especially to draw the attention of the Railway Ministry so that the capacity in the next Plan should be so developed that at no time shall there be any superfluity of wagons.

Shri Subodh Hansda (Jhargram):
My hon. friend Shri Morarka referred to the NCDC mines, and mentioned that from the report it appeared that in 1962-63 the profit of the NCDC was Rs. 1.25 crores whereas in 1963-64 it had gone down to Rs. 19 lakhs. This is a matter of serious concern that this type of public undertaking should lose so heavily. From the production point of view, in 1963-64 the production was 9 million tons, and in 1964-65 it came down to 8.25 million tons. It has been stated that the shortfall was due to slackening of demand for coal in the country. But on the other hand, I find that the NCDC expects to produce in 1965-66 about 11.8 million tons. I do not understand the reason why this shortfall was there and how far this shortfall was actually due to the slackening of demand for coal in our coun-

try. This matter was looked into by the Estimates Committee of Parliament. I think that this shortfall was due to some of the reasons mentioned by the Estimates Committee, and in particular, the fact that the entire office of the NCDC including the zonal office was located at Ranchi.

श्री हुकम चन्द कछवाय : उपाध्यक्ष महोदय, हाउस में इम समय कोरम नहीं है ।

13.25 hrs.

Mr. Deputy-Speaker: The quorum bell is being rung. Shri Subodh Hansda may resume his seat for a while.

Now, there is quorum. He may continue his speech.

This is the third time that the quorum bell has been rung. Hon. Members should make it a point to sit here for some time.

Shri Sonavane (Pandharpur): What are the Whips doing here?

Shrimati Lakshmikanthamma (Khammam): The convention is that quorum is not challenged during the lunch-hour. But my hon. friend is breaking that convention. If my hon. friend does not have respect for the conventions of the House, what can we do?

Mr. Deputy-Speaker: I have no alternative but to adjourn the House if there is no quorum.

Shri Subodh Hansda: The point made by the Estimates Committee with regard to the shortfall is that since the entire organisation of the corporation is concentrated at one place, there is lack of proper supervision by the supervisory staff in the field of production. The Estimates Committee had, therefore, recommended that the office of the NCDC should be decentralised. When this recommendation was made, there was a stir in the entire office, and some of the directors had also threatened to

quit the office and they had even instigated the workers to go on strike. I hope the hon. Minister will not tolerate such sort of behaviour from officers like directors of this undertaking.

Then, I come to coal washeries. The Hindustan Steel have got their own coal washeries. I think that there are four more washeries at present working, but I am pained to see that the production in these four washeries is not up to the required capacity. The Dugda washery was completed in 1961 with a designed capacity of 2.4 million tons. But today the output is only 0.95 million tons. Similarly, the Boujidhi washery was completed in 1962 with a capacity of 1.2 million tons, and the expansion programme was taken up and completed in 1963 for a capacity of 2 million tons. But the production in 1964 is only 1.24 million tons. Similarly, Durgapur is also producing only 0.88 million tons. I think that there is some defect....

श्री हुकम चन्द कछवाय : उपाध्यक्ष महोदय, हाउस में कोरम नहीं है ।

Shri Rane (Buldana): May I suggest one thing? Whenever the question of quorum is raised, the names of the Members should also be noted and then only the bell should be rung? The names of the Opposition Members who are present would also be noted down, in such a case. At present, only Shri Hukam Chand Kachhavaia and one other Member from the Opposition are present here. Their names also should be noted down and their leaders also should be exposed to the world.

Shrimati Lakshmikanthamma: They want to sit longer to finish the work, but still they do not want to cooperate.

Mr. Deputy-Speaker: Shri Subodh Hansda may resume his seat for a while. The bell is being rung—

[Mr. Deputy-Speaker]

Now, there is quorum. He may continue his speech now.

Shri Subodh Hansda: The shortfall in production in these coal washeries affect our steel production also. In my opinion, there is some sort of defect in the design of the coal washeries. I hope in future Government will see that the designs are made in such a way that that when fully commissioned, the plants do not fall short of their installed capacity.

Now I come to the Indian Bureau of Mines. This Bureau is working in West Bengal. It is concentrating its exploring work for minerals in the districts of Bankura and Midnapur. I am happy to know that they have been able to locate some important minerals like tungsten and iron. It is not known what would be the quality of these minerals. This is an area of West Bengal which is very backward, economically; also this place is predominantly inhabited by backward classes people. If it is found that the quality of the tungsten and pig iron extract is good, I would suggest to the Minister that these deposits should not be carried to some other place from there. Projects for the exploitation of these deposits should be started there itself.

Next, I come to the cost of production in Hindustan Steel. The cost of production in HSL is the highest in our country; probably it is the highest in the world. I do not know what is the reason for this. I certainly did not expect it because we have our collaboration with foreign countries who are running factories in their countries and the cost of production is so low there, while it is so high here. Some of the reasons given are very high consumption of raw materials and, low productivity of our labour etc. It is true that the productivity of our labour is very low, but as regards the high consumption of raw materials, I cannot understand it because these plant have been designed by those foreigners themselves.

es. I think there are some other reasons too for this high cost of production. Of course, I have no knowledge of the foreign countries. But here I see that there is lavish expenditure on certain amenities like housing, education, health etc. I do not know whether these are given in the foreign countries to the employees.

Japan is one of the countries importing raw materials from outside and is producing steel at a very low cost. I would request the Minister to go into this question and find out how is it that Japan even by importing raw materials from outside is able to produce steel at a very low cost.

Now I come to another point, which is most important, namely pig iron. The production of pig iron today is, I think, only 1.2 million tonnes. There is an expansion programme for 1.8 million tonnes. The Minister is well aware that because of the shortage of pig iron, small scale industries are suffering very badly. Particularly in West Bengal, I know there are a large number of small scale industries in and around Calcutta which cannot produce according to their capacity due to shortage of pig iron. I think there is some defect in the distribution also. Pig iron is allotted to each State. I do not know on what basis the quota is fixed. There are some States which get larger quantities of pig iron; but where there are a large number of small scale industries, they get little quantity of it. I would request the Minister to see that the quota is fixed in such a way that the requirements of all the small scale industries in the regions are taken into account and then assessment made and quota distributed. This will solve the problem to some extent.

श्री शिवमूर्ति स्वामी: उपाध्यक्ष महोदय,
भारतवर्ष खनिज की सम्पत्ति से भरा हुआ
है। अगर उस को टैक्निकल नालेज प्रो-

नो-हाउ के तरीके से एक्सप्लायट किया जाये, तो उस से हमारा बजट पूरा हो सकता है। इस मंत्रालय के अन्तर्गत बहुत से राष्ट्रीय उद्योग हैं और हम को आशा है कि मुल्क भर में और ज्यादा राष्ट्रीय उद्योग बढ़ा कर देश की वह सम्पत्ति जनता के लिए लाभदायक साबित होगी।

आवश्यकता इस बात की है कि भारतवर्ष का जियोलाजिकल सर्वे करते वक्त खास तौर पर उन तमाम हिस्सों के सर्वे का मास्टर प्लान तैयार किया जाये, जहां पर बहुत बहु-मूल्य, कीमती धातु, मसलन सोना, लोहा, आयरन और मैंगनीज वगैरह मिलते हैं, ताकि इस बात का अन्दाजा लगाया जा सके कि हमारे पास कितनी खनिज सम्पत्ति है।

ब्रिटिश काल में भी धारवार डिस्ट्रिक्ट, मैसूर स्टेट में कप्पाथ माउनटेन रेंज में मोना बहुत मिलता था, लेकिन साइंटिफिक और टैक्निकल तरीके से सर्वे और एक्सप्लायटेशन न करने की वजह से और पुरानी माइन्ज को काम में न लाने की वजह से वहां पर उत्पादन नहीं हो रहा है।

जहां तक खनिज लोहे और मैंगनीज का सम्बन्ध है, न सिर्फ भारतवर्ष में, बल्कि दुनिया भर में रिचेस्ट आयरन कन्टेंट का खनिज लोहा बेलारी डिस्ट्रिक्ट में मिलता है। इसलिए यह आवश्यक है कि हम जो पांचवा स्टील प्लांट कायम करने जा रहे हैं, वह बेलारी डिस्ट्रिक्ट में होना चाहिए। इस को एग्जामिन करने के लिए दस्तूर एंड कम्पनी और कई दूसरी विदेशी कमेटियां नियुक्त की गई थीं। उन तमाम कमेटियों ने इस एरिया में जाने के बाद यह पुरजोर सिफारिश की है कि इकोनामिक और कम से कम कास्ट आफ प्रोडक्शन की दृष्टि से पांचवे स्टील प्लांट के लिए हास्पेट एरिया के सिवाये कोई दूसरी जगह नहीं हो सकती है। अगर सरकार बेलीडोला, विशाखापत्तनम और सेलम में भी स्टील प्लांट कायम करना चाहती है, तो वह जरूर

करे और उन प्राजेक्ट्स को हाथ में ले, अगर वे वहां पर सबसेसफुल हो सकते हैं। लेकिन प्रश्न यह है कि पांच स्टील प्लांट्स में से एक के लिए भी इस क्षेत्र की तरफ क्यों ध्यान नहीं दिया गया है।

अगर मैं इस बारे में अपने कुछ विचार प्रकट करूं, तो आप को ऐसा महसूस होगा कि मैं किसी रिजनल दृष्टि से या अपनी स्टेट की तरफ से ऐसा कर रहा हूं। मुझे अफसोस है कि श्री संजीव रेड्डी साहब हाउस में नहीं हैं— चले गए हैं, क्योंकि मैं उन के सामने यह बात कहना चाहता था। ब्लिट्ज का जो रिपब्लिक इशू है उस में साफ तरीके से इस पर चर्चा की गई है। पांचवां स्टील प्लांट यहां पर खोलना मुफीद होगा मुल्क के लिए। कर्नाटक के लिए ही नहीं, बल्कि मुल्क के लिए होगा। ब्लिट्ज ऐसा पत्र है जो राष्ट्रीय तरीके से सोचता है और ये जो विचार हैं ये उस आदमी द्वारा प्रकट किये गये हैं जो टैक्नीकल बातों को जानता है। इस का हैडिंग है :

“GOI must Nip in Bud Reddi-Wanchoo Mischief.

“It has been a veritable misfortune for India to have at this stage of development a Central Minister like Sanjiva Reddi in charge of Steel.

“His only preoccupation today is to weed out Indian talent in the technological field and replace them by foreigners, and, in the bargain, get the next steel plant in his own state.”

Mr. Deputy-Speaker: He need not read the newspaper. Let us have your opinion.

Shri Sivamurthi Swamy: I will read only the important points.

श्री हुकम चन्द कछवाय : यह झगडा क्यों कर रहे हैं ? हाउस में कोरम ही नहीं है।

Mr. Deputy-Speaker: The bell is being rung. . . . Now there is quorum.

Shri Sivamurthi Swamy: It continues: ||

"As for Sanjiva Reddi, he cares less who designs and engineers the plant. All that he is interested in is to have the fifth plant in Andhra, although his own Ministry's technical committee has preferred Hospet or Goa as the site.

"He believes that if he satisfies the wishes of the foreigners who are coming in regard to consultancy and other services, they can be prevailed upon to reopen the question of site.

"That apart, it is the intellectual dishonesty of it all that is most insufferable. Only last week at Durgapur was adopted a lengthy resolution on economic policy."

जो एक इंडिपेंडेंट लेखक है उस ने कहा है कि जो टैक्नीकल कमेटी है उस ने सिफारिश की है कि हासपेट या गोआ एरिया में इस को खोला जाए। वह एक बेहतर एरिया इस के लिए होगा। आयरन और स्टील को एक्सप्लायट करने के लिये वह अच्छा एरिया होगा।

माइन ओनर्स जो हैं, उन के साथ भी अन्याय हो रहा है। डालमिया एंड कम्पनी के बारे में बहुत चर्चा हुई है और बहुत से शक भी जाहिर किये गये हैं इस हाउस में। उस को वहां पर भी एक प्रिफ़ेण्ड रेट दिया जा रहा है। दूसरे माइन ओनर्स से एक प्रिफ़ेण्ड रेट उस कम्पनी को दिया जा रहा है। इस की क्या वजह है, यह हमें मालूम नहीं हुई है। यह कहा जाता है कि जापान वालों ने जब कांटेक्ट किया था तो कहा था कि इसी कम्पनी के द्वारा हम को सप्लाय किया जाए। लेकिन ऐसी कोई कंडीशन नहीं थी। ऐसा कोई कांटेक्ट में नहीं था। दस्तूर एंड कम्पनी को प्रेफ़ेण्ड की दृष्टि से जो खनिज बेचा जा रहा है, इस को तुरन्त बन्द किया जाए।

तमाम जितने माइनर्स हैं छोटे या बड़े उन सब को एक सा रेट दिया जाए, उन सब के लिए एक सा रेट फिक्स करना बहुत जरूरी है।

दुनिया में कहीं भी रेलवे डाली जाती है तो यह देखा जाता है कि रेलवे पैसेंजस कितने उस पर सफर करेंगे, गुड्र ट्रैफिक कितना होगा। लेकिन इसी हासपेट एरिया में रेलवे लाइन डाली जा रही है वह सिर्फ़ आयरन और को लाने ले जाने के लिए डाली जा रही है। कच्चा आयरन और वहां से ले जाने के बजाय वहां पर अगर स्टील प्लांट आप नहीं लगा सकते हैं तो पिग आयरन प्लांट तो आसानी से लगा सकते हैं। अगर बड़ा प्लांट वहां नहीं लगा सकते हैं तो छोटा प्लांट तो लगा ही सकते हैं। दोनों में से जिस में भी सुविधा आप को मालूम पड़े, उस को आप जल्दी से जल्दी करने की कोशिश करें।

यहां सर्वे भी हो रहा है। माइन ओनर्स की रिप्रिजेंटेशंस भी आप के पास आई हैं; उन को भी देखा जाए। एक कमेटी बना कर उन की मुश्किलात को जरूर हल किया जाना चाहिये।

वहां पर एक मुश्किल यह है कि साइंटिफिक तरीके से काम नहीं होता है। वहां पर पुराने जमाने में जैसा आयरन और को जमा किया जाता था वैसे ही आज भी किया जाता है पुराने तरीकों से ही उस का एक्सप्लोरेशन और एक्सप्लायटेशन किया जाता है। साइंटिफिक तरीके से इस सब काम को करने के लिए जो जो सामान चाहिए उस को आप इंट्रोड्यूस करें ताकि ज्यादा उत्पादन वहां हो सके। तभी आप को जो सोलह सतरह हजार मिलियन टन का टारगेट है, वह पूरा हो पाएगा।

मैं ने बिल्ट्र की ओपीनियन को पढ़ कर आप को मुनाया है। अगर आप ने इंडिपेंडेंट व्यू नहीं लिया और हासपेट या गोआ में स्टील प्लांट नहीं खोला तो उसके

यही साबित होगा कि आप व्यापक दृष्टिकोण से नहीं बल्कि संकुचित दृष्टिकोण से काम कर रहे हैं। इस के बारे में दस्तूर एंड कम्पनी ने भी सिफारिश की है, आप के अपने डिपार्टमेंट के टैक्नीशियंज ने भी इस के बारे में सिफारिश की है, बोकारो प्लांट में जिन्होंने अनुभव प्राप्त किया है, उनकी भी यही राय है तो क्या कारण है कि आप दूसरे विदेशियों को बुला कर के उन की राय लेना चाहते हैं। अगर आप किसी विदेशी कम्पनी की सलाह ही लेना चाहते हैं तो फ्रांको जर्मन कम्पनी ने भी इस की सिफारिश की है कि पांचवां स्टील प्लांट कहां हो सकता है। न्याय की दृष्टि से, रिसोर्सेस की दृष्टि से, उत्पादन की दृष्टि से, प्रोडक्शन की दृष्टि से, सभी दृष्टियों से पांचवां स्टील प्लांट हासपेट एरिया के सिवाय और कहीं नहीं हो सकता है। अगर दूसरी जगह पर आप को बनाना है तो हमें आपत्ति नहीं, वहां पर भी आप बनायें, सेलम में भी बनायें, विशाखापत्तनम में भी बनायें लेकिन इस के साथ साथ हासपेट एरिया को भी आप देख लें। यही मेरी आप से प्रार्थना है।

Shri P. R. Chakraverti (Dhanbad): The Ministry of Steel and Mines has to play a very important part in an emerging country namely, India which is supposed to be a leading nation in the world amongst the developing countries.

At the outset, I have to congratulate the Ministry on the bold, pointed and determined steps it took in regard to the setting up of the fourth steel plant at Bokaro in the public sector. Undoubtedly, there have been some delays because of America's leaving the project alone, and that affected other aspects of the question—demand for coal.

When I take up the question of coal, I take it up as the basic problem that touches the aspirations of a country which goes forward with a definite ambition to fulfil. In the Third Plan the target fixed for coal was very ambitious undoubtedly. Generally the consumers are always

prompted to over-estimate their needs because of their anticipation of actual shortage. But that time when both the public sector and the private sectors gave their estimate, ultimately it was found that the target was not fulfilled, the greatest complaint came forward from the industry. They said they had no demand and stocks accumulated. If Bokaro comes years late, if steel and other industrial plants do not come to the expected target, naturally the demand diminishes and there is accumulation of stocks.

On this problem of coal, we have to distinguish between coking coal and non-coking coal. As you know, Jharia happens to be the biggest reservoir of metallurgical coal, but that is mostly in the hands of the private sector, and if the private sector today has to be galvanised, energised into positive action an integrated plan must be devised and so the Ministry comes into the picture. The Boothalingam Committee on price revision made a commitment that in case the wages of the miners and other incidental expenses went up, immediately there would be a corresponding rise in the price of coal. That is what the industrialists always put forward. But I pointed out to them one fact. If I go round the entire area, the area which I come from, where there are at least 125,000 persons working in the mining area, I am pointed to find that their living conditions, the amenities they get etc. are all meagre and demand close probe. We have to fulfil certain definite pledges to them—the mining labour. We say: "you are the essential participants in the production apparatus go forward and produce at your best. We shall give you all facilities". Immediately comes the question of prices. This price factor always dwarfs all attempts to raise their earnings. Undoubtedly it always determines and affects the destinies of those people who are directly producing. They are the direct producers, the miners themselves and the real wages dwindle.

The Minister has stated on another occasion that he had not yet formu-

[Shri P. R. Chakraverti]

lated his Fourth Plan targets. From the demands of industry, I think they expect to have a target of fourteen million tons of ingot steel. They contemplate for foundry iron another four million tons. If there could be found the required amount of metallurgical coal, the demand may go up to forty million tons of total production. Today it is about 14.5 million tons in the private sector and NCDC produces 3.5 millions. The NCDC has to take it up on a big scale and invest large amounts in machinery and equipment. At the initial stage it is a costly thing and so far as the NCDC is concerned it will be all the more costly to explore the difficult and deep mines. They are going deep in Sudamdi and Monidih areas with Polish collaboration. Indeed these implements and equipments have to be put into effective use, and it will have to take into account a very important factor; it will have to raise production to at least 400 per cent in the Fourth Plan, compared to the present production. Similarly, the private sector also will have to produce increasingly more and they say: what about our improved equipments? They got the offer from the World Bank. The entire offer was not accepted because of the difficulties of matching grants. Still it is a fact that machinery is coming from abroad by 1965 and taking into account all the investments, it is quite likely that they have to look up to a very higher figure of production. But the difficulties arose from the price policy. Not only price policy but also the policy of the Government in other regards counts much. The question is: Has the Private sector a clear and definite place in the production apparatus? The other day, a misleading news was reported from Dhanbad that Shri Asoka Mehta, the Deputy Chairman of the Planning Commission has suggested nationalisation of coal. I enquired about it. Immediately there was panic in the industry. The latter asked you want us to fulfil the increased demand but, we do not know where we stand. I assured them on

my behalf that there was no such question so far as I came to know. I said to them: your entrepreneurship, talents and everything else had to be channelised towards increased production; you should feel that you are equally responsible agent of production which is the outcome of concerted efforts.

The Government is the only agency which can keep an integrated picture before the country and a scientific plan. Shri Morarka was saying that the OMS of the worker was not high in India. If we compare it with that of other developed countries we find that the production efficiency in India falls far short but why is it so? The experts of the Government of India have visited the foreign countries. In England what happened? Even after nationalisation, they could not bring about rationalisation for sometime; they have done it only in the last five years. From 1960 onwards it was introduced and OMS has gone up considerably. So, it is not because of labour's lack of energy or efficiency in India that it has not gone up. The Indian labour is equally adaptable to that form of machinery and, improved technique of organisation and production that accompanies rationalisation. I am sure the hon. Minister will take up this question in earnestness. Immediately we introduce rationalisation, you will find that OMS has gone up thereby increasing productive efficiency of labour and also their living standard. We have to educate the workers and point out to them: it is up to you to fill this gap.

Unfortunately, we have no adequate method and planned organisation; it is all haphazard. About the amalgamation of collieries, the Balwantray Mehta report made specific recommendations but they were not implemented. We have to compel owners to rationalise production. Small collieries want to carry on business in rather loose way. These aspects have to be borne in mind and we should do something about them.

Yesterday, the hon. Food and Agriculture Minister was discussing about fertilisers and other things. What about the use of the results of research that had been adeptly carried on in the Central Fuel Research Institute near Dhanbad. They had been carrying on research on low temperature carbonisation. A pilot plant of 1000 or 1500 tons plant could easily be set up in any part in the country and we can get 750—1000 tons of non-smoke fuel. There is the problem of soft coke for domestic consumption to be taken into account. There are byproducts such as tar and gas, etc. which could be utilised in other ways. This has to be introduced advisedly in the urban areas. Not to speak of rural areas, in urban areas itself, the consumption figures may be raised to 40—45 million tons per year. It does not consume metallurgical coal but inferior grades of coal which can be utilised provided these factors are taken into account and some facilities are made available. The inferior grades of coal may be given some form of subsidy with regard to transport charges. We import fertiliser; foodgrains are also imported to the extent of Rs. 50-60 crores per year. We can afford to spend some amount on this score so that the inferior grades of coal may be used as domestic fuel and cow dung, firewood and other waste products which are used as fuel now may be diverted for fertiliser. Take firewood. How much of it is burnt off year in our country and denudes forests? The indigenous fertiliser, especially cowdung is very good fertiliser and we can use it provided we replace domestic fuel consumption by the use of coal. It had been experimented upon and we know how smokeless fuel can be produced and we can use it very well. The Hon. Minister has himself seen it. We can at the same time use the by-products of this coal.

He is supposed to be one of the most practical minded Ministers and I want to draw his attention to another factor. Why should the Railways

be in a hurry for introducing dieselisation and electrification? I can understand electrification.

But for dieselisation we have to import crude oil. We do still import crude oil. Why should we import it at the cost of heavy foreign exchange when inferior coal is readily available? The Railways can use coal as they had been using. Thus, we can save some foreign exchange. They should not be in a hurry to use diesel. That is my appeal to the Railways.

14 hrs.

Lastly, I would like to refer to the question of re-grouping of the coal-mines which are now working in different sectors. Roughly, 850 coal mines are working and in no part of the world can you find such a huge number of mines working and producing yet so small a quantity. It is because of the indigenous system. When we ask the small colliery owners how they manage, they say they are getting constructive co-operation from the miners. When I asked the poor people as to what they did get, the reply was: "We get 65 per cent or so, of the award made by the Wage Board." They deny getting more. They do not get more than 65 per cent. The remaining 35 per cent is "constructive co-operation of the miners". This is so, because there is no union nor is there any effective agency to represent the poor labourer. He is practically victimised and has to accept a wage which is far below the wage which has been recommended in the Coal Mines Wage Board's award. This is a very difficult position. We must take note of the point that labour has to be given a proper deal. Unless that is done, we do not know whether our targets will be reached. We must see that production is achieved in a scientific way under an integrated plan to be accepted by the Ministry in co-operation with the Railway Ministry and the Labour Ministry.

Shri Vidya Charan Shukla: *** **

Mr. Deputy-Speaker: * * * * *

Shri Rane: * * * * *

[**Shri Vidya Charan Shukla:**] * * *

Mr. Deputy-Speaker: I have ordered the deletion. I once again appeal to the Members to think twice before raising such questions. The country is passing through very critical days and the whole world is looking at us. We must act as responsible Members. I would request the hon. Members to satisfy themselves as to the accuracy of the statement they make before raising such a question. Deletion is ordered.

श्री किशन पटनायक (सम्बलपुर) :
यह बात एक घंटे पहले की है और इस बीच में हो सकता है कि वह कहीं छप भी गयी हो ।

Shri Vidya Charan Shukla: There cannot be a point of order on the ruling of the Chair.

श्री किशन पटनायक : आप की अपील ठीक है, लेकिन मैं एक प्वाइंट आफ आर्डर उठाना चाहता हूँ ।

Mr. Deputy-Speaker: It was brought to my notice and I have ordered the deletion.

श्री किशन पटनायक : रूलिंग के बारे में नहीं । मैं इस पर प्वाइंट आफ आर्डर उठाना चाहता हूँ कि आप जो डिक्लैरेशन का आदेश दे रहे हैं यह तात्कालिक होना चाहिए । यह प्रोसीडिंग एक घंटा पुरानी हो चुकी है और हो सकता है कि इस बीच में प्रेस को भी चली गयी हो और सम्भव है कि यह छप भी गयी हो । एक घंटे के बाद आप इस के डिक्लैरेशन का आर्डर देते हैं । इसलिए इस का डिक्लैरेशन कैसे हो सकता है ।

मैं मानता हूँ कि आप का रिमार्क बिल्कुल मुनासिब है कि गैर-जिम्मेदार ढंग से

कोई रिमूवर यहां नहीं आनी चाहिए, लेकिन जो चीज एक घंटे पुरानी हो चुकी उस को रिकार्ड से हटाना ठीक नहीं होगा ।

उपाध्यक्ष महोदय, मंत्री महोदय से मैं पहला निवेदन यह करूंगा कि रूरकेला के बारे में कोई बड़ी जूडिशियल जांच हो । रूरकेला कारखाना ऐसा कि जिस पर विदेशी मुद्रा और देशी मुद्रा सब से ज्यादा खर्च हुई है, उस का उत्पादन सब से कम है और वहां तनख्वाहें सब से ऊंची हैं । इन सब बातों को ले कर रूरकेला के सम्बन्ध में एक जांच होनी चाहिए ।

इस सिलसिले में मैं यह भी कह देना चाहता हूँ कि इस्पात औद्योगीकरण का ही सिर्फ केन्द्र बिन्दु नहीं है, हिन्दुस्तान में पब्लिक सेक्टर का यह सब से बड़ा धन्धा है, और गरीबी मिटाने के लिए, देश की रक्षा की कमजोरी को दूर करने के लिये इस्पात का बड़ा महत्वपूर्ण स्थान है । लेकिन इस्पात के उत्पादन में जिस प्रकार की वृद्धि होनी चाहिये वह वृद्धि नहीं हो रही है । तो उस पर ठीक ढंग से गौर करना होगा और देखना होगा कि बुनियादी गलतियां कहां हैं, विचार की गलतियां कहां हैं, इन गलतियों को भी देखना होगा ।

दो तीन दिन पहले, 28 तारीख को, प्रधान मंत्री जी देश की रक्षा के सम्बन्ध में एक भाषण दे रहे थे, और उस सिलसिले में उन्होंने कहा कि :

“We will prefer to live in poverty for as long as necessary, but we will not allow our freedom to be subverted”.

हिन्दुस्तान की सरकार जब गरमी भी दिखाती है, हिम्मत भी दिखाती है तो मुरगा की तरह या केचुए की तरह या बाफी की तरह दिखाती है । एक तरफ तो कहती है कि हम गरीब रहने लिए तैयार हैं, दूसरी तरफ कहती है कि अपनी आजादी को खत्म नहीं होने देंगे । ये दो बिल्कुल परस्पर विरोधी

बातें हैं। रक्षा और गरीबी ये दो एक साथ चल नहीं सकतीं। जब तक गरीबी को मिटाने के लिए हमारे में दृढ़ता नहीं होगी, तब तक हिन्दुस्तान की सीमाओं की भी ठीक तरह से हम रक्षा नहीं कर पाएंगे। शास्त्री जी ने गरीबी के बारे में जो कहा, वह असल में किस की गरीबी के बारे में था? गरीबी का मतलब यह हो जाता है कि हिन्दुस्तान के जो किसान, मजदूर और नीचे के तबके के लोग हैं, उन की गरीबी रहेगी। लेकिन यह मतलब शायद शास्त्री जी का नहीं था कि हिन्दुस्तान के जो ऊंचे वर्ग के लोग हैं, जो रईस हैं, जो लखपति और करोड़पति हैं, उन की सम्पत्ति पर कोई रोक लगा के, उन की सम्पत्ति को घटा के, हम देश की दीलत को बढ़ायेंगे और सीमा की भी रक्षा करेंगे . . .

Shri R. G. Dubey (Bijapur North): We are discussing the Demands for Grants of the Ministry of Steel and Mines; the hon. Member is not relevant in his discussion.

श्री किशन पटनायक : यह बिल्कुल इर्रैलेवंट नहीं है। गरीबी का अगर स्टील से सम्बन्ध नहीं है तो माननीय सदस्य के दिमाग में कुछ गड़बड़ी है। उपाध्यक्ष महोदय

Mr. Deputy-Speaker: Please speak something on the Demand.

श्री किशन पटनायक : अगर गरीबी हटाने के लिए और सीमा की रक्षा के लिए स्टील की जरूरत नहीं है तो फिर श्री संजीव रेड्डी साहब की भी इस सदन में कोई जरूरत नहीं है।

मैं बुनियादी दृष्टिकोण और बुनियादी विचारों की बात कह रहा था और कह रहा था कि गरीबी और रक्षा ये दोनों एक साथ चल नहीं सकतीं, गरीबी को हटाने के लिए

Shri Shashi Ranjan (Pupri): There is a definite demand before the House and we are supposed to discuss that definite demand. We are not supposed to make general observations on all that is happening in India. I would request him to confine himself to the Demand before the House.

Mr. Deputy-Speaker: Yes; he has to be relevant.

माननीय सदस्य स्टील के बारे में बोलें।

श्री हुकम चन्द कछवाय : हाउस में कोरम नहीं है।

Mr. Deputy-Speaker: The bell is being rung—now there is quorum. He may continue.

श्री किशन पटनायक : दूसरी बात मुझे पब्लिक सैक्टर के बारे में कहनी है। पब्लिक सैक्टर का यह सब से बड़ा धंधा है लेकिन जिस ढंग से इन कारखानों को चलाया जा रहा है उस से लगता है कि पब्लिक सैक्टर और समाजवाद यह अलग अलग चीजें हैं।

उपाध्यक्ष महोदय : यह दूसरी बात है माननीय सदस्य इस्पात के बारे में बोलें।

श्री किशन पटनायक : मैं कारखानों के इंतजाम के बारे में कह रहा हूँ। जो स्टील के कारखाने रूरकेला में और दुर्गापुर में हैं और उन में जिस प्रकार का इंतजाम चल रहा है उस के बारे में मैं नुक्ताचीनी कर रहा हूँ। अगर पब्लिक सैक्टर के साथ समाजवाद का कोई भी सम्बन्ध होता तो तनख्वाहों में इतनी विषमता वहां पर न होती। टाटा साहब के इस्पात कारखाने में अफसरों और मजदूरों को जिस प्रकार की तनख्वाहें दी जाती हैं और रूरकेला, भिलाई या दुर्गापुर में तनख्वाहों की जो सीढ़ियां हैं उनमें समाजवाद की दृष्टि से फर्क होना चाहिए

उपाध्यक्ष महोदय : लेबर मिनिस्टरी खत्म हो गई है ।

श्री किशन पटनायक : लेने वाली लेबर मिनिस्टरी है लेकिन देते श्री संजीव रेड्डी हैं ।

उपाध्यक्ष महोदय : इस में नहीं आता है ।

श्री किशन पटनायक : यह इस में इसलिए आता है कि श्री संजीव रेड्डी पैसा लेने वालों की मदद कर सकते हैं । संजीवय्या साहब तो पैसा लेने वाले हैं लेकिन पैसा देने वाले तो श्री संजीव रेड्डी हैं और वह उन की मदद कर सकते हैं ।

तनख्वाहों के बारे में कहते हुए विदेशी सहयोग के बारे में भी मैं कुछ कहना चाहता हूँ । हिन्दुस्तान के जिन कारखानों में और खास कर इस्पात में, जैसे कि रूरकेला में विदेशी सहयोग है वहाँ विदेशी अफसरों को इतनी ज्यादा तनख्वाह मिलती है कि 50-60 विदेशी अफसरों को जितनी रकम मिलती है उतनी रकम हिन्दुस्तानी मजदूर और इंजीनियर्स को मिला कर, दो, तीन हजार लोगों को मिला कर मिलती है ।

उपाध्यक्ष महोदय : माननीय सदस्य का समय समाप्त हो रहा है ।

श्री किशन पटनायक : इस के साथ ही साथ मैं यह भी जानना चाहूंगा कि यह इतने खर्चीले विदेशी कर्मचारी जो इन कारखानों में हैं तो यह कब तक रहेंगे ? और कितना समय लगेगा इन की जगह हिन्दुस्तानियों को पूरी तौर पर रखने के लिए ?

एक तीसरी बात मैं इस सम्बन्ध में कह दूँ कि जितने भी इस्पात शहर हैं हिन्दुस्तान में उनमें किसी में भी प्रजातंत्र नहीं है । एक तो पब्लिक सेक्टर में सोशलिज्म नहीं है और फिर दूसरे किसी भी स्टील टाऊन

में हिन्दुस्तान में प्रजातंत्र नहीं है । कोई भी वहाँ की जनता को नागरिक अधिकार नहीं मिलते हैं जैसे कि म्युनिसिपैल्टी या कारपोरेशन होनी चाहिए लेकिन किसी भी इस्पात शहर में म्युनिसिपैल्टी या कारपोरेशन नहीं है ।

एक आखिरी बात मैं माईस के बारे में कहना चाहता हूँ । मध्य प्रदेश में सातना जिले में कई वर्षों से बिड़ला साहब ने बिना किमी लाइसेंस के लाइट्रेट का काम चलाया और जब हमारे दल की तरफ से राज्य सभा में यह सवाल उठाया गया तो फिर बाद में जवाब आया मंत्री महोदय से कि अभी उन को इस का परमिट दे दिया गया है । मतलब यह निकला कि वर्षों तक इन्होंने चोरी की और खजुराहो सीमेंट उम लाइट्रेट से बनाई । उन को पुरस्कार दिया जाता है बाद में परमिट के रूप में और जो चोरी हुई इतने सालों तक जो चोरी बिड़ला महाराज ने की उस के उन को कोई दंड आदि न दिया जा कर उल्टे उन को पुरस्कार के रूप में एक परमिट भेंट कर दिया गया । मैं चाहता हूँ कि इस के बारे में श्री संजीव रेड्डी जवाब दें ।

उपाध्यक्ष महोदय : यह सब इर्रैलेवेंट है ।

Shrimati Lakshmikanthamma: Sir, a visit to any of the steel plants is an exhilarating experience. Some people say we have not made progress in these 17 years. I request them to visit a steel plant and feel for themselves the progress made by India. Progress in steel is an indicator of our industrial progress. It also accelerates other industrial growth in the country. It was said that China attacked us feeling jealous of our rapid progress and the aid we were getting from different countries, especially Soviet Union, who first gave us aid for Bhilai steel plant and is now giving us aid for Bokaro.

As Mr. Morarka said, progress in steel production saves us a lot of

foreign exchange, to the tune of at least Rs. 200 crores annually. It has a decisive role to play, especially in the context of defence and development. The responsibilities of this ministry are very great. Here I would say that his predecessor Mr. Subramaniam revitalised the ministry and reoriented the whole system. The credit also goes to him for bringing the three plants to the rated capacity. Some hon. member said they have not reached their rated capacity. Perhaps he has not gone into the figures. In almost all the plants, especially in Bhilai, we have exceeded the rated capacity. Even in Rourkela, supposed to be the sick child once, we have almost reached the rated capacity. In Durgapur, in hot metal, we have exceeded the rated capacity, in ingot steel 99 per cent has been reached and in saleable steel it is 89.7 per cent. Let hon. members go through these figures and satisfy themselves about the rapid progress made by our steel plants, in spite of several difficulties.

Our target is to reach a figure of 16.5 million tonnes by the end of the fourth plan. To achieve this target, as expressed in an article by the minister himself, we have to have a phased expansion of existing steel plants to their economic capacity, establishment of capacity for the production of pig iron in advance of facilities for its conversion to steel, adoption of new techniques for improvement of blast furnace and converter efficiency, the prospecting of new localities for new steel plants and for large complexes for the production of pig iron based as far as to obtain in course of time a regional dispersal of iron and steel making capacity. These are some of the measures initiated to implement this programme.

USSR is helping us to increase our steel-producing capacity by giving us Bokaro. Recently the Anglo-

American consortium also has toured several States. Perhaps it is the misfortune of the minister that the people of Andhra are not satisfied with him and during the debate in the Assembly there, they said, that he once stood for a steel plant in Andhra, but today he is leaving everything to the consortium. In a way, it is good. He cannot behave in the same manner he did when he was Chief Minister, Andhra. He is now a Union Minister and almost all States are equal to him. He cannot show special favours to one or the other. So he left it to the consortium and I think he need not be blamed for that. Let the highest technical experts take a decision on it, In spite of that I will put forth the demand of my own State, as was explained to the consortium people themselves when they visited our State, as any other State would put forth the case of that particular State.

Sir, I also wish the hon. Minister all success during his visit, towards the end of May, to Moscow, Bonn, London and Paris. When the hon. Minister visits Moscow, I would request him to convey our best wishes to the people of the Soviet Union. When our President, Dr. Radhakrishnan, went there, greetings were sent to the Indian people by the people of the Soviet Union. The hon. Minister also should carry our greetings and best wishes to the people of the Soviet Union.

We had our first Bhilai steel plant on very good terms. They allowed us, as different from other steel plants, participation of our technicians. We were not in a position to make use of that at that particular time. Even in Bokaro, I am sure, they are giving us all facilities to allow our technicians to participate in the construction of the steel plant. Here I would like to refer to the bond, to the friendship between these two countries

[Shrimati Lakshmikanthamma]

Soviet Union and India. In the words of Mikoyan:

"The Soviet Union regards with deep sympathy the striving of India to establish an independent national economy. We build our cooperation in such a way as to meet these aims, to help strengthen the Government sector in Indian economy, raise the living standards of the people, stimulate and facilitate economic and social progress."

The Minister is also visiting Paris, as was indicated by him in his reply to a question, to explore the possibilities of aid by Paris for establishment of further expansion in our steel industry. The present proposal is to expand the three existing public sector plants to produce 3 million tons in Bhilai, 3.2 million tons in Durgapur and 2.5 million tons in Rourkela. The capacity of the Rourkela steel plant can be stepped up even up to 3.5 million tons. We have seen that the Indo-German industrial collaboration has been evincing great interest. They were of late expressing a desire to ease certain of the conditions for further expansion of the Rourkela steel works. They wanted to help us in several other manners such as providing easy payment facilities, like rupee payment facilities, and all that. I do not know what exactly it is because it is not yet clear. With all these things I am sure the expansion of Rourkela will also help us to increase our production by another million tons during the Fourth Plan. What I read is that they are considering easier terms to India concerning credit debt and interest payment. I read that India's growing scarcity of foreign exchange is pressing Bonn to review German aid policy, to set up a rupee counterfeited fund for interest payment accruing from German capital aid and for at least partial debt repayment in Indian currency.

There is also scope for Japanese collaboration. The Durgapur Alloy Steel Plant is I think with Japanese collaboration. This is supposed to be the prestige project of Japan. By 1967-68 this will be the biggest of its kind in Asia turning about 80,000 tons of alloy steel.

There is also Indo-British cooperation. Under the Colombo Plan they expect to give training facilities to 400 of our Durgapur supervisory staff and technicians.

Coming to the case of Andhra for a steel plant, a detailed memorandum has been submitted to the Central Government as well as to the consortium saying that the steel plant should be established at Vishakhapatnam. Sir, *per capita* income in Andhra is very low compared to the national income. Even though Andhra is the fourth biggest State in India, its *per capita* income is very low compared to the national income. Whereas at the end of the Fourth Plan an increase of 37 per cent is expected in the national income, there is an increase of only 29 per cent as far as Andhra Pradesh is concerned. There is also regional imbalance. At the same time, we have got very good iron ore which is sent to other countries through the Vishakhapatnam port. This ore can be used in our steel plant if it is set up there. A railway line is also coming up in that area. This will be also the backbone of the State.

Sir, there are several problems facing this Ministry. I am sure, with enthusiasm, courage and determination the Minister will face this challenge and try to solve all these problems that are facing this Ministry. There are the limitations imposed by the present balance of payment position, there is the question of co-ordination and simultaneous development of matching transport, mining and other ancillary services, there is the problem of deteriorating quality of

the principal raw materials for steel making etc.

Some non. friends mentioned about limestone. In Andhra also we have got the best limestone. In Guntur and Krishna Districts we have got this limestone where some cement plants are also working very well. There are several problems facing the coal industry. In spite of the fact that there is a little fall in the demand for low grade coal, I am sure with the rapid industrial expansion in this country we need not be very pessimistic about the situation in the coal industry. Now we want to produce more cement and there will be more and more industrial activity in the future with the result that there will be more demand for coal.

The same is the case with other metals. The main problem that this Ministry has faced is either from the shortage of foreign exchange or from the shortage of raw materials for several industries in this country. There is the question of copper, zinc and other things. It has also been stated that copper is found in some parts of Andhra Pradesh. As I said, earlier, Sir, I am sure the hon. Minister will face the challenge with determination and courage.

Shri Rameshwar Tantia: Mr. Deputy-Speaker, Sir, some hon. Members have spoken about our Hindustan Steel. While appreciating what they said about high cost of production and the capital outlay on our three projects, I would submit that these steel plants were not made only for profit making purposes. The main motive was that we should be self-sufficient in our steel requirements and thus save foreign exchange. We are saving foreign exchange to the tune of Rs. 200 crores. When they will come into full production and their capacity is increased, I am sure we will save up to Rs. 350 crores. That is a big amount. Still we should see that the cost of production,

which is claimed as the highest in world, is reduced and all precautions should be taken to reduce the cost of production.

I will not go into any detail about the different items of steel because I have got limited time at my disposal, but I would invite the attention of the hon. Minister to only one thing. Corrugated iron sheets are not available at any cost, even at double the price compared to the controlled prices, in the villages where it is needed by the farmers as well as by the industries. Therefore, something should be done to have more production of corrugated iron sheets.

I will now come to coal, that is my subject. Steel, I just mentioned because the question about the high prices came up. As regards coal, things are not very happy. We made a target of 104 million tonnes; we reduced it to 89 million tonnes, and then to 76 million tonnes. But the production did not go higher than 62 million tonnes. And even at 62 million tonnes we cannot find buyers today.

What are the reasons for this? I think the Ministry of Steel and Mines are not to be blamed for it. There are many reasons for it. One of the reasons is the slow growth of industry. We made a plan that by such and such rate industry will go up every year. Whatever be the reason, we know that the industrial growth is not the same as we thought of, and that is one of the reasons why the coal off take is not what the Ministry envisaged or the Third Five Year Plan had planned for.

Apart from the off take and other things, there is something which the Ministry should do. One is that high-grade coal is only 2 per cent. Up till 4,000 feet below we get about 51,000 tonnes of coal, and out of that, high-grade coal is only 2 per cent, while the present consumption of high-grade coal is 26 per cent and that of medium grade coal is 64 per cent. So

[Shri Ramesh Tantia]

we have to check the production and find out ways and means by which we can use low-grade coal instead of high-grade coal, by putting more washeries or by finding out some other ways. Otherwise a time will come when we may have to depend for high-grade coal on other countries.

In 1952-53 India was exporting coal to many countries, like Ceylon, Australia, Nepal, Pakistan, East Africa etc. although the amount was not big. It was about Rs. 5 crores, but by this time it would have gone up to Rs. 10 or 15 crores which would have been a valuable asset and an addition to our foreign-exchange earning. Then we introduced the coal export cess. What happened? South Africa and China entered in competition with us and they captured those markets. I will therefore humbly suggest to the hon. Minister to find out means by which this export could at any rate be resumed. For this purpose, if necessary, even incentives should be given for exports, as we are giving in respect of machineries and other commodities like textiles. The export is now confined only to Nepal and some to Pakistan. We should find means to make exports to the African and Middle-East countries where we can export our coal.

For that we might have to tackle the Railway Ministry for reducing the freight and for giving some other concessions. The port charges are now very heavy. The Calcutta Port Commissioners might have to be asked to reduce these charges. But something should be done for the export of coal.

I wish to say about the NCDC, the National Coal Development Corporation. Much has been said about this Corporation, and I also once asked and was told that Rs. 100 crores is invested in it. with a production probably of 9 million tonnes of coal and the profit is Rs. 16,30,000. That is, it is making a profit of 20

paise per tonne. The labour charges are going up. There is the bonus award and there are many other expenses. And that is the profit of the government company which has got Rs. 100 crores at its disposal and a raising of 9 million tonnes. Something should be done and some drastic steps should be taken in regard to this NCDC which has been criticised so much.

As regards those collieries which are losing for years and years, there is no reason for the Ministry to say, for some reasons we are working all those collieries. This should be stopped. There should be a limit to bear losses for the NCDC.

Some new types of machinery are using, for the purpose of fuel, oil furnaces instead of coal. When we have enough coal, something should be done to use less oil, and the coal should be exported—at any rate the coal consumption should be increased. About 4 lakh workers are there in these coalmines, and if all these new types of machineries will be using oil furnaces instead of coal, then the consumption of coal will be very much reduced.

In regard to the expenditure of coal production, one hurdle is the inspectors of coal-mines. Although they should have reasonable powers for taking safety measures, the inspectors, even the sub-inspectors, have got more powers than even the hon. Minister. Whenever they go to any coalmine they are not helpful or sympathetic. They want to find faults with something or the other, and they will put some remark in the book. That remark costs the coal-mines, whether the fault is small or big, thousands and lakhs of rupees and results sometimes in stoppage of work. With reasonable precautions, there must be something done to see that these hurdles and unnecessary

troubles are removed; and, if necessary, an enquiry should be made to find out these difficulties of the coalmines. As I said, we should safeguard about the labour, safety of their lives and other things. But every day the inspectors and all these people go and put a remark. So something should be done to remove this difficulty if we want more production. Reasonable facilities should be given to the coalmines to avoid the loss due to labour, due to the inspectors and on account of the rising cost of production.

The Parliamentary Secretary to the Minister of Steel and Mines (Shri Thimmaiah): Mr. Deputy-Speaker Sir, I wish to deal with some of the aspects of the Ministry to which hon. Members were kind enough to refer.

I wish to deal first with the Geological Survey of India. The main function of the Geological Survey of India is to survey and map the mineral areas. The total area which is to be surveyed and mapped by the Geological Survey of India is 23,57,534 sq. kms. Up to the end of the Second Five Year Plan 10,40,000 sq. kms. were mapped. Another 1,54,862 sq. kms. have been completed up to February 1965. The Geological Survey of India has also a proposal to cover an area of 4,56,000 sq. kms. during the Fourth Plan period. This depends upon the amount to be made available to the G.S.I., because it has demanded a sum of Rs. 40 crores for this purpose in the Fourth Plan.

Similarly, the Indian Bureau of Mines is also doing an excellent work in the field of making detailed exploration and proving of mineral deposits in this country. The Indian Bureau of Mines was instituted in 1948 as an agency to collect information and statistics about minerals. Its scope was extended in 1955 to prove mineral deposits and carry on detailed exploration. Therefore it has played a vital role in conducting the

detailed exploration for the mineral deposits and proving them.

14.37 hrs.

[SHRI T. H. SONAVANE in the Chair]

It is not correct to say that the Indian Bureau of Mines is inefficient and all that. The Bureau was entrusted during the Second Plan to prove about 8 investigations at a time; then during the Third Plan it was asked to prove about 25 investigations at a time; it would conduct about 68 investigations by 1968, and about 100 investigations by the end of the Fourth Plan. This is an enormous and valuable work, and it is not correct to say that the Bureau is inefficient and that it is not working well.

Dr. M. S. Aney: Can the hon. Parliamentary Secretary give us some idea as to the territories which have been surveyed?

Shri Thimmaiah: The territories are fixed by the Ministry every year. According to that plan they carry on investigations and the detailed investigation will be conducted by this Indian Bureau of Mines after the survey is made and mapped by the Geological Survey of India.

Some hon. Members have tabled cut motions about conducting geological survey in some of the States. I think while making schemes for the year-to-year surveys this will be taken into consideration.

Then I would like to say a few words about the development of copper in this country. At the end of the Fourth Plan the demand for copper in this country. At the end the import of copper is causing a heavy drain on our foreign exchange. It is with this view that Government has embarked upon a plan of the Khetri project and is further finding out the possibilities of extracting copper at Rakha and expediting survey and exploration at Agnikondla in Andhra Pradesh. As far as the

[Shri Thimmaiah]

Khetri project is concerned, it is true that there is some delay in commissioning this project, and the Government have taken steps to see that it is speeded up. Departmental shaft sinking has been going on and it will be at a quick pace after heavy shaft sinking equipment, which has been ordered from America, arrives. I think the work will be doubled after we get the equipments from America. We have been assured of French assistance for the smelter and the controversy with regard to Reverberatory and Flash smelters has been finally settled. We are going to have the finish design of the smelter. A firm decision has been taken to locate the entire complex at Khetri. The only point that has to be decided is the type of fertilizer to be manufactured in this project. A decision will be arrived at on this in consultation with the Ministry of Food and Agriculture. Naturally, in view of the new decisions, the consultancy arrangements with W.K.E. will have to be revised, as we may have to take the know-how for smelter from Finland and other consultancy from French also; but it is likely that with the revised terms we may retain the present consultants also. This project is likely to produce 21,000 tonnes of copper and a further feasibility study for the expansion of Khetri by 10,000 tonnes from Kolihan deposits is under preparation. The Khetri Project is likely to cost about Rs. 40 crores and Kolihan about Rs. 10 crores.

The feasibility study for Rakha deposits in the Singbhum district of Bihar for the production of 31,000 tonnes of copper has been prepared by N.M.D.C. Efforts are being made to find foreign exchange for this.

Government is also thinking of putting up a smelter based on imported concentrates and we are trying to locate concentrates of copper in foreign countries.

Then I would like to deal with the

Kiriburu and Bailadilla iron ore projects. As the House knows, the mines of Bailadilla and Kiriburu are meant to export iron ore to Japan, according to an agreement, to the tune of 6 million tonnes. In Kiriburu the working of the mine has already been started and it was inaugurated by our Vice-President in November, 1964. This plant is generating the fines at a higher percentage. Although some modifications according to the consultants are being carried out, still the percentage of fines generated would need the screening of the ore at the ore site. The cost of Kiriburu project would be Rs. 11.22 crores. The export will start by the middle of this year. The Bailadilla iron ore mines are also being developed to export 4.4 million tonnes of iron ore to Japan. The Kiriburu mines will export 2 million tonnes. In course of time, the iron ore of Kiriburu will be diverted to the Bokaro plant and the export work will be taken over by the Bailadilla mines. We have so far developed one deposit in Bailadilla, that is, Deposit No. 14. Deposit No. 5 will also be developed and the entire quantity will be exported. The production of Kiriburu will be diverted to the Bokaro plant.

Dr. M. S. Aney: Is it a fact that some of the coal exported to Japan is of lower quality?

Shri Sanjiva Reddy: We are not exporting any coal to Japan; we are exporting only iron ore.

Shri Thimmaiah: In order to export iron ore from Bailadilla we should have a railway line up to Visakhapatnam. Reference has been made by hon. Members to the handling capacity of the port at Visakhapatnam. It is true that the handling capacity is not quite sufficient. The total iron ore to be carried from Bailadilla is 10 million tonnes. After the establishment of the pellesisation plant, for which there is a proposal with our Ministry, the capacity would reach

about 10 million tons and the handling capacity at the port about 6 million tons. Therefore, the Ministry has been contemplating an alternative scheme of transport. They are trying to carry it by rail from Bailadilla and up to Kakinada by river.

With regard to lead and zinc, the position is not satisfactory at the moment. The Metal Corporation of India is the only private sector undertaking that has been producing lead and zinc. Government is giving financial help to this Corporation. They are going to expand their capacity up to 18,000 tonnes of zinc per year. For the lead they have already a smelter at Tundoo in Bihar.

Coming to production and distribution of coal, as many hon. Members have pointed, the production target has been reduced from the original target of 97 million tonnes. The reasons for this are many. First of all, when a reappraisal was made of the Plan by the Planning Commission, they reduced the target. Moreover, consumers like railways, steel plants and thermal stations have reduced their demand because they have switched over to oil. More than that, the transport position having improved, the consumers did not feel the necessity to have a bigger stock of coal with them, because they have got the psychological feeling that they could get the coal at any moment, because the transport position has eased. Here I will give some figures, as to what extent some of the industries have reduced their consumption. Steel plants have reduced it by 8.98 million tonnes, railways by 3.40 million tonnes, paper by .94 million tons, power by 4.83 million tons and cement by 3.57 million tons. This does not mean that we have to reduce our capacity to produce a sufficient quantity of coal. Because, we always feel that it is only a temporary phase. Many more cement factories are going to be established in future and they will require coal. Therefore, we have to develop the capacity, as per target. But the actual production is reduced.

This is the reason why there is a slump in the demand for coal.

Then, if you compare the pithead stocks of this year, as compared to that of last year, there is no room for alarm. At the end of 1963 there was 4.72 million tons of coal at pitheads. Now it is only 5 million tons. Therefore, we need not express any concern about pithead stocks.

Regarding stepping up of the demand for coal, we have relaxed the control over distribution of coal. The consumers of coal can take as much coal as they want, over and above their quota.

Shri Warior (Trichur): Has the Government taken any step to send coal, specially coking coal, to the foundries in the south?

Shri Thimmaiah: There has been no complaint from the foundries about shortage of coking coal. So, hon. Members need not be worried about the foundries.

Shri Warior: I am not worried; only the foundry owners there are worried.

Shri Thimmaiah: You are also worried.

Shri Sanjiva Reddy: If they are worried, they should bring it to the notice of Government, not of the Opposition.

Mr. Chairman: He has made out a case for the complaint.

Shri Sanjiva Reddy: We will look into it.

Shri Vasudevan Nair (Ambalaphuza): They may knock at your doors, but the doors might not be opened.

Shri Thimmaiah: So, we have relaxed the control over the distribution of coal. We have also requested the State Governments to see that they liberalise the issue of licences

[Shri Thimmaiah]

for setting up soft coke depots and for brick kalans. With these measures, I think, the slump in demand will disappear in the future.

Shri Chakraverti referred to the saving of coal and making soft coke popular in the villages replacing cowdung and wood that are utilised as fuel by villagers. It is a well known fact that cowdung is a cheap commodity available to villagers. They do not want to use soft coke because of their habit and because of the high price of soft coke compared to the cheaply available cowdung. The expert opinion which has been examined by the Food and Agriculture Ministry as also by our Ministry is that when the villagers are getting cowdung and other things for nothing at all they are not inclined to use soft coke in place of cowdung.

Shri Himatsingka (Godda): If they get it at subsidised rates and if it is made available, they will use it because the subsidised rate plus the use of cowdung will be very much helpful to them and it will give a fillip to the production of food crops.

Shri Thimmaiah: The Food and Agriculture Ministry have taken sufficient steps to see that soft coke is made as popular as possible. Our survey reveals that it is used only in West Bengal and Bihar area. In the south they have not found it possible that the villagers could replace cowdung by soft coke. Anyway, a study is being conducted by the Coal Controller to find out the potentiality of the use of soft coke in important cities like Madras, Bangalore and other places in the south.

In addition to this the Food and Agriculture Ministry have a scheme to plant quick growth trees which can be used as fuel in place of cowdung. The Food and Agriculture Ministry also have a scheme of cowdung gas plants which could be used both as manure and fuel. These

schemes are being vigorously pursued by the Community Development Ministry which is in close touch with the villagers and the rural population. I hope, in course of time... (Interruption). I am sorry, I am not a Parliamentary Secretary for the Community Development Minister. I am stating the facts. I hope, the Community Development Ministry will be successful in making soft coke popular among the rural population.. (Interruption).

Dr. M. S. Aney: You hope!

Shri Warrior: You have shifted to food and agriculture and to community development.

Mr. Chairman: He is putting his point of view.

Shri Thimmaiah: Coming to the National Coal Development Corporation, there is criticism that the profit is considerably less compared to that of last year. On the basis of investment that the NCDC has made, the NCDC has got a definite capacity of producing 15 to 16 million tonnes of coal, but the thing is that there is no demand for coal. There is lump in the demand for coal and therefore they are not producing according to their target. Today it is producing only 8.25 million tonnes because there is no demand. Therefore to the extent that they have not produced so much of coal there is a fall in profit, naturally. Therefore hon. Members need not be anxious.

Dr. U. Misra: Is that the only cause?

Shri Thimmaiah: There is another cause also. I will tell you that. To that extent there is a fall in profit of the NCDC.

Another cause for the fall in profit is that there are certain old mines which give us the best coking coal possible and you cannot stop mining those mines because they are the

oldest and the deepest mines. Naturally, when you work on the deepest and the oldest mines, you have to incur loss. For example, Giridih is the oldest mine which produces the best coking coal possible and that is possibly incurring loss to the tune of Rs. 50 lakhs every year. This is also one of the causes why the NCDC has earned less profit than last year

Shri Warrior: Why is there so much loss?

Shri Sanjiva Reddy: I will give further details. I will also cover the same ground later on. You can ask me later on.

Shri Warrior: Is it because the pit is too deep?

Shri Sanjiva Reddy: You can ask me that when I reply.

Shri Thimmaiah: The Singareni collieries have earned a profit of Rs. 55 lakhs. The target fixed for them was 5.74 million tonnes and now it has been reduced because of the slump in demand.

Shri Chakraverti made a point about the utilisation of the World Bank loan by the private sector coal industry. Out of Rs. 17 crores that have been allotted by the World Bank, they have so far utilised Rs. 9 crores and machinery worth about Rs. 6 crores has been ordered by the private sector coal industry. We have also given a lot of facilities to the private sector to make use of this World Bank loan as early as possible because the time limit is extended only up to September this year. Apart from the matching grant under the guarantee scheme that is made available to them, we have given them a rebate for the import of machinery required for mining purposes. All these facilities are there. I hope, the private sector coal industry would utilise the World Bank loan within the stipulated time limit.

Next I come to steel. I would like to refer to the pig iron and billets position and about tool and alloy steel. As far as pig iron is concerned, the target set for the Third Five Year Plan was 1.5 million tonnes. Out of this, 1 million tonnes was to come from the production of our own integrated steel plants and 5 million tonnes from plants licensed in the private sector. The present shortage of pig iron is largely due to the delay in setting up pig iron plants by the private people who are licensed to set up these pig iron plants. As the progress was slow and it was apprehended that a smaller unit of 1 lakh tonnes was not economic—we used to give licences for the production of 1 lakh tonnes of pig iron; later on it was pointed out that it is uneconomic—in order to give incentive to this industry we have permitted pig iron units from 1 lakh tonnes to 3 lakh tonnes and, secondly, they have been exempted from the operation of price and steel control. Keeping in view the acute shortage of pig iron in the country, provision is also made for the import of pig iron from the USSR and the German Democratic Republic both in the years 1964 and 1965. We are also taking measures to augment the production of pig iron by setting up additional blast furnaces at Bhilai and Durgapur in anticipation of the developments in the Fourth Five Year Plan. Feasibility studies have also been commissioned for setting up blast furnaces complex to produce pig iron out of locally available raw material.

As far as re-rolling industry is concerned, there are about 201 re-rolling mills in the country with an annual capacity of about 13,24,000 tonnes, out of which 103 are based on billets and 98 on scrap. Besides this, a few units based on billets which have been permitted to come up in the States which were partly under-served are yet to be installed. After the Report of the Saxena Committee, in 1960 we had to withdraw restrictions on the setting up of the re-rolling mills. When these restrictions were removed,

[Shri Thimmaiah]

many new mills came into existence. This created difficulty in supplying the raw material, that is, scrap and billets and later on the Government, therefore, withdrew the relaxation in 1963.

15 hrs.

Now, the capacity of the re-rolling mills has been the subject of considerable controversy and to meet these various conflicting claims, Government have announced the appointment of a Technical Committee which will assess the capacity of the existing re-rolling mills both scrap-based and billet-based. The Committee will also suggest the merchant sections which can be economically produced by re-rollers. The Report of the Committee is expected to be received by the end of August, 1965.

Shri Rajaram (Krishnagiri): Is there any proposal to set up any more re-rolling mills in Andhra Pradesh, Mysore and Kerala?

Shri Sanjiva Reddy: Nowhere.

Shri Rajaram: In Punjab, there is a village called Gobindgarh. 45 steel rolling mills were there.

Shri Thimmaiah: I am not yielding. I had informed the hon. Members that we had removed restrictions on the setting up of the re-rolling mills and many new re-rolling mills came into existence and they demanded raw material and because of the scarcity we could not give raw material and, therefore, we withdrew the concession. He can understand by that that we cannot allow any more re-rolling mills.

Shri Warrior: Why not the distribution be made equitable? Why should there be any discrimination?

Shri Thimmaiah: That is why a Technical Committee has been appointed to assess the capacity...

Shri Rajaram: Everything is on the northern side; nothing is on the southern side.

Mr. Chairman: The senior Minister will reply to that.

Shri Thimmaiah: At the moment, the availability of billets is round about 65,000 tonnes per month and the billet re-rollers are getting 25 per cent of their basic entitlement. In order to meet this situation, Government has also permitted a few of the re-rolling mills to produce billets in their own electric furnaces. About 11 furnaces have gone into production with an annual capacity of 83,960 tonnes. Four more are under erection. Besides this, there are a few more projects which are under the process of clearance at various stages. We have still about 13 applications pending before the Government in this connection.

I can give the statistics as to the distribution of billets and all that. It is a big list and it will take a long time to read it. With these few observations, I conclude and I thank you very much for the opportunity given to me.

Mr. Chairman: Shri Rajaram. I request the hon. Members who are anxious to speak to catch my eye. Otherwise, I will not call them.

Shri Rajaram: Mr. Chairman, Sir, we all know iron and steel are rightly considered among the indispensable bases of economic growth of any nation. I am going to plead for the Salem Steel project only. As far as Tamilnad is concerned, it met with so many ordeals. You know the language struggle in Tamilnad. So many people have been killed. Another thing I want to state is about the Shastri-Srimao Bandaranaike Pact over these Ceylon Tamilians. Through this Pact, we are going to bring five lakhs of Ceylon Tamilians into our country. Already there are no jobs

for the people in Tamilnad and the unemployment is growing high and high day by day and there is no big public sector projects in Tamilnad.

Sir, all over the Indian sub-continent, Tamilnad was the first place that was tried for a steel project but till today it has not got any steel project. In the year 1930, Mr. Marshall Heath, a Member of the Civil Service in Madras State, established the iron works at Portonovo in South Arcot district and it was followed by efforts to start iron works in Pulampatti in Salem District. All his efforts ended in vain because the industry faced with a host of difficulties like financial limitation, lack of technical personnel, increasing cargo freight, non-availability of forest fuel for smelting etc. The most formidable difficulty in establishing a steel works in Tamilnad lay in the non-availability of coking coal for baking iron in the conventional blast furnace process. The discovery of extensive reserves of lignite estimated at about 2,000 million tons in Neyveli gave encouragement and confidence to the people of Tamilnad to start a steel project. The iron content in Salem ore which is about 36 per cent is low compared to the 60 to 65 per cent of iron haematite ores in the country.

For this our State Minister for Industries, Mr. R. Venkataraman, says this in his preface to M/s. Dastur & Co's Report:

"Metallurgists are of the view that when the value of an iron ore is assessed, it is not merely the iron content which has to be considered but also the extent to which the injurious substances like phosphorus, sulphur etc are present in the ore. Sulphur in the ore is detrimental because it makes iron brittle at red heat. The phosphorus in the iron ore tends to be absorbed in the iron when smelted and phosphoric big iron cannot be used for several

steel making processes. The Salem iron ore although having a comparatively low percentage of iron content has the distinctive advantages of low phosphorus and low sulphur. I may add here that I have seen several iron and steel works in the West utilising ore with percentage of iron contents of the order of the Salem."

Various tests have been conducted in various countries. Encouraging news has come from all the places. On the invitation of our country in 1960, a team of experts from the German Democratic Republic came. Nearly 2,000 tons of raw lignite and matching materials were sent to East Germany towards the end of 1961. These tests yielded very good results. Again, a Norwegian firm who had earlier conducted laboratory scale tests on raw materials has been requested to conduct tests on what is called pre-reduction process utilising electric energy for smelting. These tests conducted by Electro Kemisk established the feasibility of economic production of iron with Neyveli lignite and Salem iron ore. After that nearly 7500 tons from hundred slits and one tunnel driven in the Kanjamalai have been sent abroad to Sala Maskinfalexic of Sweden, Lurgi Chemic of West Germany, General Electric Company of United Kingdom and in the meanwhile the UDY process incorporated in U.S.A. also indicated the possibility of adopting their process.

In the end, the Government of India has appointed M/s. Dastur & Co. to prepare a project report. The consultants have now conclusively proved that a technically and economically sound steel project could be established in Salem at cost of Rs. 95 crores.

The Salem steel plant has several distinctive advantages even when the plant at the iron ore mines compared to the existing steel works in the country. The proposed loca-

[Shri Raja Ram]

is coupled with the availability of large deposits of metallurgical grade of limestone, bauxite, etc. The following is the movement involved in collection and transport of raw materials to Salem and other steel factories: Existing—TISCO—592 tonne kilometres ISCO—724; Rourkela—880; Durgapur—881 and Bhilai—1617. Proposed—Salem—161 tonne kilometres. At the same time, the proposed Bokaro requires 842 k.m. Visakhapatnam would require 3090 k.m., Hospet 3,298 k.m. and Goa about 4,216 k.m. If we compare the capital cost of manufacture in Salem with that in the other steel works, we shall find that the cost in Salem will be the lowest, being Rs. 2,090 per ton.

Mr. Chairman: The hon. Member should conclude now.

Shri Rajaram: I would take at least 15 minutes.

Mr. Chairman: Only 7 minutes are allotted for his party. He should try to conclude now.

Shri Rajaram: In the case of Rourkela, it is Rs. 2,475, in the case of Durgapur it is Rs. 2,270 and in the case of Bhilai it is Rs. 2,208. So, we find that the cost at Salem is the lowest.

Further, it has easy access on broad gauge routes, to the principal steel-consuming centres like Madras, Bangalore, Cochin and Tiruchirappalli. The southern region is now supplied over long leads from the existing plants, involving a freight charge of about Rs. 45 to 55 per ton of pig iron. All these freight costs would be a saving to the south. The Salem plant will be invaluable for the production of high quality steel required by the country's developed economy.

Further, the foreign exchange requirement of the steel plant at Salem is only about Rs. 38 crores out of an overall cost of about Rs. 95 crores;

that is only about 40 per cent which is a very favourable factor. Above all these, it presents the opportunity for opening up new industrial horizons in the southern region of the country.

In this connection, the Madras State has done all the preliminary works. The Industries Minister of Madras says:

"The State Government have, at the request of the Government of India notified early this year, under the Land Acquisition Act, an extent of about 24,000 acres (about 37 square miles) in Salem District, representing the land requirement of the plant, township, the railway siding, marshalling yard, ancillary industries and mining. It would thus be seen that considerable headway has been made in processing the plant to a concrete shape. The project is thus well poised for implementation for which a construction schedule of 4½ years has been drawn up by the consultants. It is hoped that this project would be taken up for implementation at the earliest and would constitute a significant milestone in the development of our economy."

In this very House, in the year 1963, on the intervention of Shri Morarka, the present chairman of the Public Accounts Committee, Shri C. Subramaniam had said, while replying to the debate on the Demands for Grants relating to the then Ministry of Steel and Heavy Engineering that:

"It is a Third Plan project. I am glad my hon. friend Mr. Morarka is taking some interest in Salem. It should give some satisfaction particularly to my DMK friends that friends from Northern India are interested in the development of Salem steel plant; that is why, perhaps, they thought it was not necessary for

them to take up this in this House; so DMK friends should be glad to know that the northern Indian friends are as much interested in the southern region as themselves. Otherwise, I am sure they would have made much noise here about Salem plant.....”.

Mr. Chairman: The hon. Member should conclude now.

Shri Rajaram: Please give me five minutes more.

Mr. Chairman: He should conclude now. His party was entitled only to seven minutes. He has already taken 10 minutes.

Shri Rajaram: I am concluding presently.

Shri C. Subramaniam then further observed:

“They have been saved of this trouble by my friend, Shri Morarka. Some other friends also stressed the need or necessity to develop the Salem plant. As I have already stated at many places, we have asked Messrs. Dastur & Co. to prepare a detailed project report. The project report is under preparation and will be available by the end of this year. I can assure the House that all possible steps will be taken for the expeditious implementation of this project in Salem.”.

Now I am at a loss to understand why the present Minister of Steel who is a very good associate of Shri Kamaraj, the Congress president, thinks in his wisdom to reconsider this matter. There is a general talk in our place that the Steel Minister has a different tune and tone towards the Salem project because of his regional patriotism. I do agree that no individual is free from that. But I have no objection in Andhra State having one such plant and also Assam. I have no grouse about it. But I want to reiterate that after having created so much of hopes

in the minds of the people of Tamilnad through such assurances by his predecessor, the Government of India and the Steel Minister should not go back upon these assurances. The moral responsibility of the Steel Ministry is respect and honour and implement the promise given by the previous Steel Minister.

Shrimati Maimoona Sultan (Bhopal): I thank you for giving me this opportunity to speak on the Demands of the Steel and Mines Ministry. It is better late than never. We are discussing a very important Ministry today. Its responsibility covers many aspects such as the development of coal and mines; it is also responsible for the efficient working of our steel plants.

These steel projects are the pillars of our industry, and they are there both in the public sector as also in the private sector. Situated as we are, committed to the concept of mixed economy, we cannot afford to have any quarrel either with the private sector or with the public sector. All that we want is that there should be a complete harmony and peaceful co-existence between these two, in the interests of the country and in the interest of the healthy growth of our economy. But in spite of all these good wishes and encouragement on our part, we do expect certain results from these projects, but I am afraid that these results have not been forthcoming. Why are the results not forthcoming? They are not forthcoming because of a lack of proper assessment and a lack of imaginative planning; and sometimes the Planning Commission also is to be blamed for it.

I agree with my hon. friend Shrimati Lakshmikanthamma that it is quite an exhilarating experience when one goes to see these projects working. It is a good experience, but unfortunately this exhilaration is rather short-lived because this feeling of joy or whatever it is, has to be sus-

[Shrimati Maimoona Sultan]

tained by facts and figures, which unfortunately tell us another story, and that story is that most of these projects or undertakings are run at an enormous loss because of lack of efficiency and lack of proper planning and correct judgment on our part.

I must remind the House that during all these seventeen years of freedom, we promised the people that we shall bring in socialism in this country. The people are not really concerned about the philosophy of socialism, what is implied by the word socialism and we stand by it, that there would be better opportunities of life for the people, there will be better food, there will be better education. In short, there will be better incentive for the people to go on.

15.17 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

But the people get really frustrated when they find that the fruits of their labour and the endeavour that they put in, either goes to undeserved hands or it is wasted.

When these projects were placed in the public sector, the basic concept at that time was, and it was correct, that they would prevent the concentration of wealth in a few hands. That was the basic concept with which these public sector projects were started.

Now, speaking about the performance of the public sector we find that there is no question of any concentration of wealth, for there is no wealth at all, and although many of these public undertakings are somewhat old, they are run at a tremendous loss. I do not agree with my hon. friend, Shri Rameshwar Tantia, who said that these projects were not meant to give us profits. Certainly, they were meant to add to the national wealth and production; but profit also was one of the objectives with which

the public sector was started. It was for this reason that it was envisaged in the Five Year Plan that they would contribute about Rs. 300 crores towards the Five Year Plan; out of these Rs. 300 crores, more than Rs. 100 crores were to come from the three steel projects at Rourkela, Durgapur and Bhilai. But the actual position is that there is no surplus coming from these projects. On the other hand, there has been, as I said, a tremendous loss. I wish to draw the attention of the hon. Minister to the loss in production, and also to the inefficiency and mismanagement in these steel projects. We have got the Hindustan Steel Limited in our country, and when we started it, we did so with high hopes and great ambitions that it would yield certain results. But we find that this project, which has got three units—Bhilai, Rourkela, Durgapur, closed the year 1963-64 with a cumulative loss of Rs. 680.4 crores. From the figures, made available to us, it seems that there is a competition among the three steel projects as to which should lose more. For instance, during 1962-63, Rourkela lost Rs. 10.7 crores, Durgapur lost Rs. 8.4 crores, Bhilai lost Rs. 4.5 crores. Bhilai being in Madhya Pradesh is still worse for us.

So this is the picture. I am sure the able Minister, with his initiative and drive and administrative experience would set it right very quickly.

Now there is another aspect to which I want to draw the attention of the Minister, that is the proper, balanced development and industrial growth in all parts of the country. I know that the Minister has to share this responsibility with other Ministries like the Industry Ministry, Finance Ministry and so on. But this Ministry could exert its weight and give due consideration to the backward regions so far as the allocation of industries is concerned.

It is in this context, I would plead the case of Madhya Pradesh before the House and the Minister today. As we know, Madhya Pradesh is the largest in area in the country. I do not think any other State in India could claim that much area, 1,71,000 square miles. We are not much concerned about it at present. The point, I want to emphasize is that it is a most backward area industrially. It is an irony that in spite of the fact that it has rich resources in minerals, forest wealth, coal resources, these remain almost untapped, or not exploited to the extent they should have been. A survey carried in this direction tells us that 10,000 square miles is a rich coal bearing area in this region, out of which only 2,000 square miles have been prospected and even less exploited. So this is an aspect of the problem to which the Minister should give serious thought, take the initiative and make an effort to exploit this wealth of Madhya Pradesh to the advantage of the country and the region.

As far as the development of Madhya Pradesh goes, there have been various expert committees reports. The Applied Economic Research Council appointed Committees to go into this matter in some detail. There have been missions also such as pre-investment mission of United Nations which have stated that the industrial development of Madhya Pradesh has to come from basic industries such as aluminium, fertilisers, and steels.

As I said, all these industries do not come under the control of this Ministry. I shall now mention only those industries with which this Ministry is concerned. For instance, take the aluminium plant. We have got an aluminium plant at Korba. This plant was entrusted with manufacturing alumina. We were told that aluminium also would be manufactured in Korba. We are now told

that the project report is being prepared and it will take sometime before it is finalised. We hope that it will be expedited early and that the Minister will stick to his earlier decision and we shall have an integrated aluminium plant in Madhya Pradesh.

Another point is about the price of coal. The price of coal has been fixed by the Ministry on an all-India basis. That is correct as far as it goes. But there is a plea from Madhya Pradesh that the State Mining Corporation should be given the permission to mine this coal to thermal power station so that the price of coal comes down. If it comes down, it will be better for the industrial development of the country. I hope the Minister will give his close attention to the request made by the State Government.

With these suggestions, Sir, I thank you for the opportunity given to me.

Shri Nath Pai (Rajapur): Mr. Deputy-Speaker, the very sparse attendance in the House, in spite of the fact that we are debating a very important Ministry, shows how Members' minds are being exercised by certain developments on our border. I do not think this is lack of interest in Shri Sanjiva Reddy's Ministry or what we have before us.

Sometime back, a committee of distinguished economists was appointed to look into the whole question of the availability of steel and possible decontrol of steel. In the atmosphere which then prevailed in the country, the committee felt that it could suggest decontrol of steel. Such was the optimistic view that was taken of continued and increasing steel production in the country. What is the spectacle today? With the delays, doubts and hesitations with which the future programme is being now conceived, even the possibility of a severe shortage of steel being expected, we are reverting once again to the bad old days.

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We go with regard to steel from crisis to crisis. We have witnessed the strange spectacle of our Plan targets and steel programmes being pushed up and down by repeated exercise; over the last three or four years. This is not surprising, as this key industry is being developed in fits and starts and when there is no direction or competence in the administration and in steel planning, which is subject to every whim and political gust.

I would like to bear some standards in mind when I offer my criticism of this key industry. It is important not only as the basic industry on which all our hopes and dreams for developing India industrially are centred. It is also a major public enterprise. Figures and statistics have been given. I do not want to inflict any more such data on the House. I would like to apply only three important criteria in judging the performance of this Ministry. This is a key industry; whatever label it bears, private or public is immaterial; we shall not be just taking a particular view, biased, just because it happens to be a public enterprise. The responsibility of a public enterprise is all the greater in a mixed economy, as a pace-setter, as a model employer, as a model manufacturer.

I would like to ask these questions: whether the industry gives the maximum benefit to the community, whether the optimum economy is enforced and whether the standards of efficiency are parallel and sometimes better than those prevailing in identical industries in this country and elsewhere, and in a welfare state, what is the benefit accruing to labour and what is the relationship of labour with the industry?

If we take all these criteria, I am afraid, in spite of my partiality or public sector enterprises, the replies to these questions are bound to be disappointing. First, let us take the per-

formance. Here is the report of the Ministry. I wish it is realised that some reports are made so dull that nobody likes to read them. Somehow, I can inflict this upon myself and manage to read it. Here is page I of the report of Shri Sanjiva Reddy's Ministry. In spite of the fanfare about increased production targets being reached and over-fulfilled—I think he has some very good publicity officers; because just when this Ministry is going to be discussed, they manage to create an impression that here is one Ministry in general amidst the general gloom that surrounds us, here is one ray of light coming from the Ministry of Steel—in spite of this fan fare, what is the actual position? As the charming lady who preceded me said, what happens to all this feeling exhilaration when we apply the eye of scrutiny, and cold logic?

Let us take the most elementary and simplest thing in the production of a country which is developing, pig iron. Here we have been given the figures for 1963 and 1964. In 1963, we had produced 11,84,000 tonnes; in 1964, we have produced 11,25,000 tonnes. There was actually a fall and we had to import. I would like to know, how does it go? Why is it happening today? Because there was bungling. I do know you do not like this criticism. I know you will say that we are running down the standing prestige and influence of the public sector.

They first sanctioned 15,000 units. I do not know where they go; this kind of junk to be ditched out and doled out to the country as knowledge, as expertise. 15,000 units in the world of today, 1965—that is what your Ministry advised. It does not matter to me whether it was the private sector or the public sector. But 15,000! What a monstrosity? What sheer economic nonsense? Then they increased it to 100,000. Today it is

300,000. We are supposed to be planning to a future date, and it is common knowledge to anybody who makes the most elementary study of modern steel development that 15,000 is an economic nonsense which must not be allowed even for one minute. But they did it.

Today we, therefore, find the spectacle on the one hand that we are going to be a major steel producing country, and on the other, we are importing even pig iron, from the Soviet Union. I would like to know: why should it be so? Whether we import or not, why was there a fall?

Now, let us take steel proper. I would like to draw the attention of the House to this because here again one needs to be very cautious about what is being told, and these are revealing figures. The total availability during 1964-65 is estimated at about 5.5 million tonnes,

“taking into account the indigenous production of approximately 4.4 million tons and an import of approximately 1 million tons.”

This 4.4 million tons was the target this country had set for the end of the Second Plan. What a magnificent achievement it is! Shri Sanjiva Reddy should be forced to ponder on this fact that we reached this target at the end, almost the end, of the Third Plan.

Between 1963-64 and 1964-65, the year under review, the increase has been just a little less than one lakh tons of finished steel. Contrast this with your ambition or hereafter in the Fourth Plan, namely that steel production will be increasing at the rate of one to two million tons per year. The actual performance today is alarming us as to how the targets are going to be fulfilled. Last year's actual increase in steel production was of the order of just less than one million tons, and the propaganda is that

during the Fourth Plan period we are going to increase production by one to two million tons per year. The figures belie your propaganda.

I would like to draw his attention to another very important matter, namely the cost of Indian steel. We have, I think, the cheapest, and in some respects, the richest iron ore that any country can think of. We have the cheapest labour and we have the most modern plants, and yet Indian steel is among the costliest in the world. Japan imports iron ore from some countries like India, imports coal from some other countries and imports her plants. They will say there is no use making comparisons. I would beg the House to bear these points in mind. Japan imports her coal, iron ore and machinery and still manages to produce the cheapest steel in the world, and Japanese imported steel in India is cheaper than indigenous produced steel, which is produced with labour which is almost sweated labour, which is produced with iron ore which is the cheapest, and which can boast of the best plants.

Some of the reasons have been given, but one very important reason, which can be cured, is this. I know that the cost has gone up on account of many factors. One of the speakers earlier in the day has pointed them out. I do not want to repeat them. It is a very important factor where comes in the question of the whole structure of our plan, of executive ability. The tragedy of it is that politically we are ruled by autocrats; administratively we are under bureaucrats; but the world has moved towards technocrats. Stalin, after the failure of the earlier plans, had to leave the strategic planning and execution to a new generation, not of that omniscient, omnipotent civil servant. I have nothing to say by way of disparaging them, that should not be a part of my job here. But how do you expect, I do not understand it, that a man whose whole

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background is that of an administrator, and that too, not particularly imaginative, endowed with any drive, imagination and capacity to meet the challenge of the times, can cope with our needs? Every nation had to replace this kind of all-purpose civil servant with a new thing. America had to do it during the New Deal. Even today it has to do it to meet the new challenges. During the Roosevelt and Kennedy eras, they brought in new men to meet the new challenges. We have produced a framework, an iron framework of a civil administrator who is good for everything, as a military adviser, as an administrator, from Collector to producer of modern steel he can do any job. And that is why this tragedy that we fail in producing what we can.

What happens is this. I was talking about this price structure. Early in 1957, the House perhaps has forgotten, some of us had to sit day and night to study what was going wrong at Rourkela, when we were told that the machinery installed in Rourkela, that Germany had supplied us with, was the most modern in the whole of Asia. I did not mention one factor. I have mentioned some other factors favourable to us. Let us not delude ourselves. If there be one field of engineering, modern technology, designing, in which India can compete with any country in the world including USSR and USA, it is in the field of engineering, designing in steel. And yet this is the spectacle. Why? Because our people have this old mentality, and we are accepting a kind of colonialism in the field of steel.

I am very glad to see that they have created this Designs Bureau under the Government and they are doing very well. They have recruited a few engineers to this Central Engineering and Design Bureau. Some of the things they have done do deserve credit. They have collected

the data and prepared a plan upto 1975-76. Very sensible. They have also looked forward and done some magnificent job.

Let me make my point very clear about this economic colonialism. The pattern for the Bokaro plant has been the pattern of the Bhilai agreement, that is, putting the hands of the clock at least ten years, a decade, behind. Am I disparaging or running down the magnificent help we got from the Soviet Union for Bhilai? Not at all. We have accepted it in all gratitude as a gesture from a friendly country. But that scheme is totally outdated for 1965-66, because when we had the Bhilai plant, we did not have indigenous local engineering talent, today there is a plethora of it. In spite of it, what do we do? Very cautiously and very unobtrusively yesterday Shri Sanjiva Reddy said that we had to get financial help from the Soviet Union, and so we had to accept their conditions about designing etc. That is not fair to Parliament, that is not fair to this country. Do not pose before us this kind of dilemma: do you want air or do you want water? We need both. We want the plant, but we want Indian engineering also to grow. I do not want to go into this question because it is still under discussion, but it will be extremely wrong and we will not be taking it easily lying down if we are to be told that because we have to take the help, we have to dispense with Indian engineering skill. We do not want ready made toys from America and the Soviet Union so that we can turn the spring and play. Ultimately our destiny lies in developing Indian engineering skill. If there is any possibility, foster it, encourage it, uphold it.

Earlier, promises were solemnly made that Indian talent would be associated from the stage of formulating the plan to the stage of execution. Now there is a fall back. If there is

help, let us take the survival attitude. You should not say we will lie on bended knees and take it. If we need aid from the Soviet Union, we also help them in multiple ways. Why this beggar mentality that anybody can dictate to us? If we can accept the plant in Rourkela and Durgapur, why not in Bokaro? Therefore, let us accept the generous help, but in the process we should not give up the self-respect of India and put almost at a discount local indigenous talent.

There is a very important aspect about which I would like to speak here today. It is this aspect about labour. What is happening? Local parochial politics are imposed in labour relations in these public sector enterprises. Normally we would expect that in public sector enterprises the relationship between management and labour would be a model for the private entrepreneur. Here, the process is something the other way round. Far from being a model for the private entrepreneur, in many of our public sector enterprises, you are tending to agree with me, the relationship is always bleak because of lack of imagination on the part of the management on the one hand, a total unympathetic attitude on the part of Government, very often a partisan attitude on the part of the Government, completely forgetting that this tall talk of socialism in this country has no meaning whatever, no possibility of being implemented unless you created dedicated fighters for it, and that is through labour. Here you take a partisan attitude towards them, a very rigid attitude, a wooden-headed attitude. On top of it comes the local politics.

In Bihar we find that not only the Government will interfere on behalf of INTUC, but within INTUC there is a sub-section, and there will be a

strike or lockout. Can Parliament afford to have this kind of luxury because there are dissidents and ministerialists in the State? Even in the labour union, these quarrels are taking place. As it is, labour is divided because of political affinity, which is going to bear upon the country in the long run. But the Congress way of handling labour is a specimen in itself, a model! What happens? The party quarrels between the ministerialists and dissidents are transferred, and we find, therefore, that the whole atmosphere is vitiated, poisoned, and labour relationship is something which not only a socialist Government should try to avoid, but something which a modern, enlightened industrialist would not like to have. I would like to draw the hon. Minister's attention to the report of the Dhebar Committee. The Dhebar Committee—Mr. Dhebar the distinguished ex-President of the Indian National Congress—recommended that in order to avoid trouble, Government should take a referendum whenever there is a dispute. What has happened to it? That was your own party leader's recommendation. Why do you not try to implement it courageously in order to determine the representative character of the union and give recognition?

I will ask one question and then I will resume my seat. I have quite a few things to say and I do not know why you are curtailing my time.

Mr. Deputy-Speaker: You had only 8 minutes; but you have taken fifteen minutes already.

Shri Nath Pal: On some of the other Ministries we had not spoken in order to enable me to speak on this Ministry. Anyway, I will be concluding. Then, there was the Krishna

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Menon Committee which made one sensible recommendation that the secretary of a department must not also be chairman of any enterprise which came under that Ministry. That has constantly been the demand of Parliament. You appoint a committee at the behest of the late Prime Minister. That committee makes a recommendation. See the stranglehold of bureaucracy in this country and how the Ministers are so easily cowed down by their civil servants. I do not want you to brush aside when they give sane advice on matters which are within their competence. This is a matter on which a political decision was needed, unless we were to be befuddled about this. In 1956 Mr. Morarka and I pointed out the dangers how the so-called board of directors had tended to abdicate their rights to a single man. Though there was a so-called board of directors for Rourkela, the tragedy was performed and the cost went overhigh. That was one of the reasons why I say this about how there is a bureaucratic stranglehold on enterprise. They require a totally different type of approach and experience. I want to know what he has proposed to do to liberate the talent in the country so that the enterprises really come into their own. If you mean to do this, first give up your partisan attitude in labour. Secondly, be very serious about the modern method and see that the word of the technocrat, technician, engineer, will prevail in matters where it is technocracy which is to guide, not a political approach.

Shri Sanjiva Reddy: Mr. Deputy-Speaker, Sir, this is my first speech in this House though I have been the Minister in charge of Steel and Mines for the last eleven months; this is the first time that I am asked to speak in this House though I have answered a few questions now and then. At times when there is nothing sensational we feel that we are neglected and forgotten. That was

my feeling all these eleven months. There was not even a call-attention notice. Mr. Nath Pai did give a call-attention notice once but then on the day when I had to answer, he absented himself and that opportunity also was denied. So, while I am happy that there was no need for any vigilant hon. Member of this House to question me, I am glad that this opportunity has come to me and that my Demands have been reached and I am able to answer some of the things which have been in my mind. Hon. Members have given useful and constructive suggestions. Mr. Nath Pai who came last has put the same points that were raised by the other Members into flowery and beautiful language. I am one of the admirers of Mr. Nath Pai and if I am given an opportunity normally I come to the House to hear his speeches... (Interruptions). Not only his voice, but his language and other things also. I had said that the same suggestions which were made by other Members were put in flowery language by Mr. Nath Pai. Myself, as an ordinary kisan can neither imitate him nor have I got fifty per cent of his capacity to put the old points in beautiful language and make them look new. Though I have been on this job for the last eleven months, I must frankly admit that I have not had a full grasp of it. For the last 17-18 years I have been a Minister, in the composite Madras State, the Deputy Chief Minister in Andhra State and again the Chief Minister of Andhra Pradesh, but those subjects were entirely different. I was in touch with the people and the problems of the people—canals, irrigation, electricity, schools, roads bridges, etc. I was with the people whenever there was trouble; I was on the spot and could understand their problem and there was absolutely no need for the so-called ICS secretary or anybody about whom Mr. Nath Pai was speaking, between me and the people; there was no need for

anybody to supply me information, I could just go to them and talk to them and try to do something, at times in most unconventional ways, without the Finance Department sanction. Some major schemes were done like that. The Krishna Barrage costing crores of rupees was decided without the Finance Department or anybody else examining it because we were convinced of it. Shri Prakasam was there as Chief Minister and when we were convinced that it was going to be useful to the people, there was no need for any further examination. How to get the money was the only criterion and we somehow managed. That way we were proceeding.

Here we do not see people but files, except perhaps some re-rollers who come to me. Anyway I have been trying to do my best though the subject is new and a difficult one and my capacities are limited. I know that also. If there was no need for an adjournment motion, or call attention motion all these eleven months, it only shows that there was nothing abnormal; there may be no spectacular achievement but there was nothing abnormal. If there is anything abnormal anywhere, naturally it gets the attention of all the members of this vigilant House. This House is very vigilant as we see every day. But it is not as though there is absolutely no progress. Mr. Nath Pai made it look as though the Second Plan targets were achieved now. It is true. But then there is one more year. Further expansions are expected to be completed by the end of the next year. Let us take each plant. Bhilai which is producing one million tons or a little more is expected to give us 2.5 million tons by next year, the end of the Third Plan. Rourkela steel plant which has been called the sick child has gone through many troubles. It is also a Second Plan scheme; even last year it was in trouble, communal trouble and labour trouble. But fortunately for me since the last six months it has

given us peak production. It is not dependent upon foreign technicians. Mr. Nath Pai would be very happy to see that of nearly 300 of them, only about 60—80 or round about that remain there. Rourkela has just now reached the production of one million tons; its expansion will be completed, maybe there may be a delay of 3-4 months and it will be completed in July next year and when completed, the production will be 1.8 million tons. The expansion of Durgapur also is going on, according to schedule and I hope we will be able to achieve 1.6 million tons, in July. The only Third Plan scheme which has not given us results is Bokaro. It has actually become a Fourth Plan scheme. We are just starting it. We signed the agreement in January; the project report is being written. I know my friend is not very happy that somebody else writes the project report in spite of the one written already which cost Rs. 60 lakhs.

Anyway, I do not want to go into those problems at this stage. I am really gratified that my hon. friend was able to see that Indian technicians are being encouraged. Hundreds of them are being appointed. They are all part and parcel of Hindustan Steel. Lakhs of rupees are being spent; it is not as though anybody is against Indian technicians. As he himself put it, we have to balance both. We want the steel plant and we want Indian technicians. We are not prepared to sacrifice one for the other. There is time for Indian technicians to develop the plant; the project has been undertaken, and if Indian technicians gain a little more knowledge, I see no reason why—not only the planning and not only the project report—they should not start the sixth plant by themselves. After all, we need not depend on any country for technicians. We can in the normal course get the machinery. If the percentage of imports is reduced, we can get financial assistance and construct it ourselves with our

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own technicians and our own engineers.

Some hon. friends have mentioned about the quality and the cost. Shri Nath Pai also repeated the same thing, about the cost of production here, compared to that of other countries like Japan. It is very well known that Japan imports ore from us and from Brazil; coal from Australia, and still makes the steel the cheapest in the world. Even Britain, with all its coal, is not able to make her steel so cheap as Japan's. I am fully aware of it. Various reasons go to add to the cost of our production. The production per man is very much lower in India compared to that in Japan. The cost of the raw material, which we expected would be low, has gone up very high. Anyway, I am not satisfied with the information that I have at my disposal nor with the reasons that have been given to me by my department and Hindustan Steel for the high cost of production. I have been thinking about it for the last three or four months. I have secured all possible information that they can give me. Since I am myself very much in doubt whether it is not possible to bring down the cost not only by measures of economy but by all possible means, I have been thinking as to why a committee should not go into it and assist me to find out ways of reducing the cost. It is true, and I know, that some friends will at once come up and say that it would lead to delay and all that. I would like some of our hon. friends, one or two Members of Parliament, to be in that committee. It is not that the committee will just sit and give out a report. (*Interruption.*) I am sure Shri Vidya Charan Shukla has faith in his colleagues and the Members of Parliament. What else can be done? Everybody knows, and I too know that Japan produces steel at a cheaper rate than England or Germany. How do they do it? Are they subsidising the export of steel?

I am not able to say, because the cost of production is a secret which will not be revealed to anybody. Anyway, I myself am not able to think of any other method of finding out the secret and making our steel cheap—

Shri J. P. Jyotishi (Sagar): Can we not send our boys to Japan to study their methods?

Shri Sanjiva Reddy: We are sending our engineers to learn but the others will never give out the secret of their business and of their production. No company would do that, not only in Japan. Even our own Indian companies would not do that. Even if we go there, they would not reveal the secrets of their production and the cost of production and all that. If any friend could suggest some other method, I would adopt it. I have absolutely no objection. I am not dogmatic.

Shri Nath Pai: Let us have a more scientific approach. Modern technology is not such a thing as Sukracharya's Sanjivini *vidya* which was being kept as a great secret. Modern technology is something which we can assimilate.

Shri Sanjiva Reddy: Now, why is it that as between Japan and Germany and England—let alone India, since India is trying to learn—they alone are able to sell it in the international market at a cheaper rate and the others are not able to do it? It is not as though all those countries are of the same level. There must be some reason for it.

Shri Surendranath Dwivedy (Kendrapara): How does our cost of production in the public sector compare with that in the private sector?

Shri Sanjiva Reddy: There is absolutely no difficulty about it. The cost of production in the public sector

compares very favourably. You yourself can compare the figures, because the figures are available. I was answering a question in the House yesterday. Unfortunately time was up and no supplementary arose, but I can readily give the figures. Ours compares very favourably. The cost of ingot steel and saleable steel compares favourably. (*Interruption*). If any friend suggests some other method for bringing down the cost, I would readily accept it. It is not that I am not prepared to accept it. Even now I am prepared to accept it if any friend in the House or outside can make any suggestion to make our steel cheaper. As I said in the beginning, I am not a technician nor an expert myself. I am prepared to accept the advice from whichever quarter it comes, from whichever political party it comes. It does not matter for me; I only want to have steel produced at a cheap rate. Everybody wants it to be so. If anyone suggests a method, I would surely accept it. If there is a mistake and if it is pointed out, I would accept it.

Now, we have to congratulate our officers who have been working. Whether our administrators are in the ICS or the IAS, they have all done a good job. The new steel plants in spite of the initial problems have reached peak production and a little over the target production. There is no use belittling the administration. They have put the house in order. For instance, there was an Englishman, Mr. B. J. Bell, who has since retired. On 31st March last, he left us. An Indian officer, who has had 26 years of experience in steel, Mr. Chatterjee, has been posted as General Manager. He is a technician who has had long experience. He has been there for long, and he has been appointed as General Manager now. In the other plants also, not only are there Indian technicians and engineers, but they have experience in construction and production. They have all done a fairly good job. There has not been labour trouble.

552 (A1) LSD—5.

Some hon. Members have been saying that labour is not treated fairly and reference was made to the labour organisation associated with the Congress party also. I think Shri Nath Pai was thinking of some industries somewhere and then applying the same theory to the steel factories. It is not so.

Shri Surendranath Dwivedy: What is the matter in Rourkela? Can you deny it? There is no question of labour trouble as such. What Shri Nath Pai pointed out was about the report—(*Interruption*).

Shri Sanjiva Reddy: I know the functioning of the steel plants. There is no trouble at all. Production has reached its peak, and the plants are running smoothly. If anybody wants to create any trouble it is not good. I am not worried about labour trouble at all, whatever be the labour union. (*Interruption*).

Shri Surendranath Dwivedy: Do not invite trouble.

Shri Sanjiva Reddy: Production is going on, and there is not even a small strike today. (*Interruption*). I do not believe in reports only. I go personally to the steel plants and sit with the people and talk to them and therefore I know how things are. Let us not enter into any controversy about labour there. Let us give them all the comforts that are necessary. A large amount is being spent in the public sector for hostels, schools, clothes and books for workers' children, medical facilities and so on. We are doing our best to help them. If in the name of any union there is trouble, it will not be in the national interest; it will only delay production in the industry.

Not only that. The steel plants are being managed by Indians. Not only in Rourkela but in other plants also, the number of foreign experts is rapidly dwindling. Even within the past one year, in Durgapur and Bhilai, only 20 to 30 of them still remain. The

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work has been taken over by the Indians, and after the Indians took over the job production is still going up and has stabilised itself. We should congratulate them; we are really proud of them. We have given them a chance and they have proved themselves worthy; they have proved their worth. But let us go slow. There are only 200 to 300 foreign technicians now. Let us not drive out all the 300 or so, in the name of nationalism and Indianisation. If 20 or 30 of them still remain, let us make use of them. There is nothing wrong in trying to learn from them, to learn a little more with the assistance of these people. The presence of 20 or 30 of them is not going to damage Indian interests. They have constructed the factory. They have brought it to this stage and they are interested in the plant. Their reputation is at stake. If some thing goes wrong, they feel terribly wounded. For instance, I was there in Bhilai along with the Deputy Prime Minister of Russia, Mr. Dymshits. There was some trouble in the fourth blast furnace. We are proud that the biggest blast furnace in Asia has been set up in Bhilai. When there was trouble there, Mr. Dymshits went there himself at night. He was himself an engineer there some years ago when the plant was constructed. He went there along with the technicians. He also brought a few more from outside India and it was put right. So, no doubt our technicians must learn the job, but at the same time let us take some assistance. After all it is not beneath our dignity to take assistance from some foreign experts.

16 hrs.

The fourth plan targets are there. It is ambitious. If by the end of the third plan, we are able to reach only 7 million tonnes or so, to reach 16.5 or 17 million tonnes is really a very ambitious target. But our targets and ambitions must be high. If our target itself is limited, we cannot achieve big results. Due to various circumstances, we may not be able to

reach it, but our attempt must be that. Regarding the third plan, I do not think we are far behind the target, except Bokaro which is the fourth plant. Otherwise, the expansion upto 2.5, 1.8 and 1.6 million tonnes will be there.

The fourth plan target has been fixed taking into consideration not only 1.5 to 2 million tonnes from Bokaro. We also expect the fifth plant to give us 1.5 million tonnes. We have also taken into consideration further expansion of the existing plants.

About Durgapur, we are thankful to the British Government for having announced the assistance for expansion already. There is no more problem. The project report is written by our own people. The assistance is already announced and there is no more hitch except pushing it through and reaching the target. For Bhilai, after reaching 2.5 million tonnes for further expansion, we are not yet tied up; we are yet to negotiate for assistance. For Rourkela also for expansion from 1.8 to 2.5 million tonnes, we have to negotiate assistance. I hope our Russian and German friends would help us to reach our targets.

We also hope that in spite of all the controversy, the first steel plant will be able to produce something. There is absolutely no need for any controversy about its location.

Shri Manoharan (Madras South): Where is it going to be located?

Shri Sanjiva Reddy: My friends here from Andhra, Karanataka and Madras have made speeches. It is absolutely unnecessary. . . .

Shri Rajaram: We want the foundation stone to be in your name.

Shri Sanjiva Reddy: I do not want my name to be there; I am not so vain or foolish to think it must be in my name. If every minister wants a foundation-stone in his name, no government can function.

Shri Nath Pai: As a compromise, why not locate it in Goa?

Shri Sanjiva Reddy: What is the compromise? Goa and Hospet are there. The cases that have been referred to the technical committee are Goa-Hospet, Bailadilla-Visakhapatnam and Salem-Neiveli. These were the sites which were studied. Preliminary reports were there. Only about Salem, a final report is there. The project report was written by Dastur and Company. Shri Sivamurthi Swamy, representing Mysore was quoting the good words said about Hospet by Dastur and Company, but he does not know the very very good words said about Salem by the same Dastur and Company, which were quoted by Mr. Rajaram. Fortunately, as a minister in the composite State of Madras, I have visited all the three places—Visakhapatnam, Hospet and Salem—a number of times. As Chief Minister of Andhra, I was pressing for Visakhapatnam naturally, as the Madras Chief Minister is now writing so many times for Salem and the Mysore Chief Minister for Hospet. The Goa Governor has also written about Goa. So also the Chief Minister of Orissa and the Governor of Orissa only speak about their place.

Shri Manoharan: His predecessor, Mr. Subramaniam, categorically stated in this House that Salem project is a third plan project.

Shri Sanjiva Reddy: I am not interested in that. Money was not allotted in the Third plan. I am Minister of Steel and Mines today and I have a right to take a different decision. If it is a correct decision, I shall be proud about it. Because I come from Andhra, can I say it should be at Visakhapatnam? I do not want to take a decision like that. All I have done is that there should be no discrimination; let us leave it to the technicians.

Shri S. Kandappan (Tiruchengode): But the Salem report has been finalised.

Shri Sanjiva Reddy: If my friends think I should take the decision here and now, it is not possible. My hon. friend was quoting my predecessor as

saying with reference to Mr. Morarka that northern Indian friends also are talking about South India. Does it mean only Madras is South India? Mr. Deputy-Speaker, you come from Mysore State and that is also South India. (*Interruptions*). I do not want any controversy. Let us not go into narrow things. My request to hon. members is, please keep me out of this. I am prepared to accept the technical advice given by the technicians. All the reports and papers have been sent to them.

Shri S. Kandappan: The technical committee has been advised to select 2 sites.

Shri Sanjiva Reddy: If 2 sites are selected, only one can be taken. We can have a sixth plant in the fifth plan. My friends, Mr. Nath Pai, Mr. Ranga and others were talking about shortage of pig iron and said that we can start pig iron plants at this stage to be converted into steel plants later on. The sixth steel plant which may come in the fifth plan can be started now as a pig iron plant. We are thinking ahead on that.

Shri Manoharan: On the basis of the detailed report submitted by Dastur and Company, Madras Government has already started working in that direction

Shri Sanjiva Reddy: That question must be asked in the Assembly there; I have no answer to give here. Apart from that, eight sites are being studied by Dastur and Company and Kuljian Company in Bengal, Bihar, Orissa, Madhya Pradesh and other places.

Shri Manoharan: Why should they be clubbed with the Salem project?

Shri Sanjiva Reddy: I am the Minister of Steel and Mines for India and not for Salem. I am explaining other points also to which I have to give a reply, but my hon. friends seem to be interested only in Salem. They think that only Salem is important. As I said, eight sites are being studied. It is not that a decision will be taken

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immediately. Kuljian Company are studying 8 sites and Dastur and Company are also studying eight sites. All these reports will be with us. It may be that we may not take them up now. But tomorrow, X, Y or Z may become the Minister and these may be considered by him. India will continue and steel will have to be produced. Therefore, we are also having those sites studied.

I would only assure you on the floor of this House that I shall not take any partisan decision. I will leave it to the technicians to decide. I am glad that Professor Ranga supported this view. Nobody can say that we took a narrow view. India is a big country. We have to think in a big way. If India is to develop we all have to think in a big way and not in a narrow way. Whatever view I might have held as Chief Minister, today as a Central Minister in charge of Steel I am connected with all States in India. Therefore, I am sorry, it will be difficult for anybody to take a decision in this excitement. Let us take a decision calmly.

Shri T. Subramanyam: When is that decision likely to be taken?

Shri Sanjiva Reddy: They are expected to submit the report by the end of May. Then we will take two or three months for studying it. We must then have a new project report which will take nine months. It is all being done on a phased basis. After that we will place the order for machinery which will take two years to come. Then the erection work will take three years after which only production will start. Normally a steel plant will take six to seven years to come into production. All this procedure will have to be followed here also and it will take time.

I am also happy the Bokaro steel plant preparations are going on fairly well. I visited the place on the 19th of last month. The Bihar Government has placed a thousand acres at

our disposal though they had to acquire a little. They are giving us complete cooperation. A number of buildings have been constructed already. The office is now located at Calcutta. It is likely to be shifted in four or five months—by about October-November—to the site itself. Unless the corporation office is located at the site, work will not progress satisfactorily.

The Alloy steel plant, which we were constructing at Durgapur, was limping a little. The progress there was not very satisfactory. I am glad some rephrasing of the construction schedule has been done there. I hope by 1967 we will be able to reach the expected production. Further expansion will be needed. After all, 1,00,000 tons of alloy steel will not satisfy us. Our target is to expand it to 3,00,000 tons. In addition to that I am very happy that the Bhadravati steel unit in Mysore is also expanding. They are not only expanding, we are also converting it into an alloy steel project. With these two and some other smaller units in the private sector, I hope in the coming years we will be able to tide over this problem of alloy steel shortage.

But however much we may produce, as every country is short of some material or the other, we may still have to import some alloy steel. Even now we are importing, in spite of our production, a million tons of steel. Almost all the alloy steel we are importing. Even presuming we produce 16.5 million tons in the Fourth Plan, still our demand will go up. That only shows progress. The more industries we set up the more will be the consumption of steel. It is only a sign of progress and we will have to import some small quantities of steel to meet priority requirements. Then, in spite of our shortage, we are also exporting. We have made a beginning last year with an export target of one lakh tons, and this year we are hoping to double it. What I am saying is, apart from

scrap which we are exporting, we are also exporting some steel so that we could find some markets here and there and try to popularise our materials, so that when we produce more and we have a surplus we will have ready-made markets outside the country. These exports will bring in some foreign exchange at present.

Then, it has been said that the cost of steel is a little high. It is mainly because the quality of the raw material is not very high. Take, for example, coal. As the Parliamentary Secretary has mentioned a little while ago, coal which we are getting is not of a superior variety, and this includes coking coal. There is so much of ash that we have to wash it and naturally the cost of coal goes up. The same thing applies to ore. I had been to Kiriburu and Barsua and had seen the mines. I had thought that mechanised mining would make the ore cheap. That was my expectation at that time. I thought that picking up by hand would naturally be costly because we could not pick up large quantities and we want millions of tons, by hand. So, I thought that mechanised mining would be cheaper but mechanised mining has brought in another very big problem. There is a very large percentage of fines, dust which you cannot use. We are getting about 55 per cent of fines near the mines. Transport by rail and handling at the ports give us another 15 to 20 per cent. Therefore, by the time we begin exporting, there is only 25 to 30 per cent of the original quantity; the rest will be fines. Now, how to use those fines? If it is within the country, we can use them. For instance, in Rourkela only a couple of months ago, we inaugurated the sintering plant.

Shri Surendranath Dwivedy: After a delay of three years.

Shri Sanjiva Reddy: May be so. Even then, we are happy that it has been inaugurated and I am sure there is no controversy about that. Now, a large percentage of the fines which

are lying waste in the steel plant are fed into the blast furnace. We have a sintering plant in Bhilai also. We do not have one at Durgapur but I hope we will be able to set up one there soon so that the fines could be sintered and used. But in places where there are no sintering plants, what are we to do with the fines? It is a national waste; just wasting the wealth of the country. For instance, take Goa. The private sector has a licence for establishing a pelletisation plant. Pellets can be exported and we could incidentally earn some foreign exchange for the fines and blue dust which we are now wasting at Goa. I have not gone to Goa. I hope to go there later on and see the position for myself. I am sure these will be fully used.

For instance, we are exporting millions of tons of iron ore to Japan through Visakapatnam, Paradip and other ports. The fines that get accumulated in the ports will have to be removed. Otherwise, the ports will be full of fines and in a couple of years there will be absolutely no place to handle cargo. The pelletisation of the fines, which is a waste material now, will make it useful and we could also earn some foreign exchange.

We will have to think of bringing down the cost of raw materials by some method or the other.

Then there is also the question of surplus labour to which reference was made by many hon. Members. It is true that in each steel plant there is surplus labour. But this is equally true of the private sector also, about which I have the figures with me here. Our public sector steel plants do not have larger number of workers than the private sector plants. The private sector plants are also over-staffed. But there is a redeeming feature; some good is coming out of this evil. Some of the technicians who are now working at the steel plants are surplus, no doubt, but those trained men could be transferred to the new plants, when they are set up. Government have already issued

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instructions that this should invariably be done. For example, in the case of the Bokaro steel plant, no new employee would be taken in until after absorbing the suitable surplus at the existing steel plants.

Not only that; for instance, in Bhilai there are 3,000 people surplus and the expansion is taking over a large number of them.

My hon. friend also made a mention of some labour leader coming here from Bhilai to discuss about 10,000 labourers who are being thrown out of employment. Somebody made a mention about it; I think, Dr. Misra made a mention about it. But they are not steel plant employees; they are construction employees. Where am I to put them? Can I absorb them in Bhilai when there are already a few thousands of them already surplus? All that I suggest to them is that there is construction going on in Bokaro, please go there or somewhere else. Let us take them somewhere else. You cannot make construction labour permanent.

Suppose, we construct a house. We employ labour. If the moment the house is constructed the whole labour is to squat in the house, the owner will have to pack up and go away.

Dr. U. Misra: It was promised that a construction corporation will be set up and those people will be absorbed there.

Shri Sanjiva Reddy: It is set up already though it has not begun functioning effectively. A few months ago we registered it and we hope that it will help us to bring down the cost of construction and the contractors will be a little more responsible, with this public sector body being there. It is there and if and when vacancies arise, in construction work they would be absorbed. But if I am asked to absorb 10,000 people in the plant, it will not be good. It is not desirable. The same thing has happened in coal

but I am not touching coal now. Later on I will come to coal... (*Interruption*). Even there when the work starts we can absorb them, in Bokaro or in some other project. They are not permanent employees; they are just construction labour and when there is employment we will certainly give them some work.

The quality of steel was also not very good. A few complaints came to me and we investigated the complaints and discussed them with the General Managers and others. The Secretary and others discussed it. I think, the quality is slowly improving. I will not say that it is completely all right or anything like that; but the quality is slowly improving.

About the re-rolling industry, my hon. friend was speaking about billets. When billets were surplus and when the steel finishing mills were not completely ready, billets were sold to the re-rolling mills. At that stage, naturally, the margin of profit was fairly satisfactory and therefore a larger number of units came into existence. That was in 1961-62, or round about that period. Now, when they are able to roll their own billets, the steel plants certainly would not sell billets. No steel plant will sell the raw material and itself keep quiet. It is because of this that the shortage has arisen and also because a very large number of re-rollers came into existence during the period when the billet position was easy.

My hon. friend from Madras was asking whether new licences for rolling mills will be given. What is the use of giving new licences when the raw material is not there and the existing raw material is being given to the re-rollers at the rate of 25 per cent of their capacity?

Shri S. Kandappan: There is a genuine case for that. The rolling mills that exist are concentrated in a particular region; so, is there no case for locating them in some other regions?

Shri Sanjiva Reddy: I think, it has no case at all. First I must feed the existing rolling mills, whether they are located in Punjab or Himachal Pradesh. They must be fed first and not that on regional consideration we start some more and starve them all. If my one eye or both eyes are lost, it would not give satisfaction either to me or to you. Therefore we must first feed the existing rolling mills and then start giving licences for new ones. So, I do not concede that point. After all to the mills that are there we are not able to give more than 25 per cent of their capacity. Even assuming that we give licences for new rolling mills, to them also we will give a limited capacity and it will not help them either. They will sink lakhs of rupees in the industry and ultimately lose it.

So many friends mentioned pig iron. We are short of it but, I think, we will be able to tide over the difficulty because some of the blast furnaces at the steel plants are coming up a little in advance. I think, next year the position will be a little better. We are importing a lakh-and-odd tonnes from Russia, though it is a little costlier than our pig iron. Our plan is to set up these blast furnaces in advance so that the pig iron shortage that is there for some time, will be tided over. This will improve further when we set up other pig iron plants. This is our plan and I hope we will be able to tide over the difficulty.

Now, I come to coal—the N.C.D.C. This is one thing which also gives me a headache. I went to Ranchi and discussed the matter with the officers there and also here. There is a huge expenditure and then we are producing not the anticipated quantity of coal, not even half of it. Unfortunately, our planning went wrong. In the Third Plan, we thought 97 million tons should be our production. But we are not able to consume more than 65 million tons now—perhaps 67 million tons next year. Anyway, the gap should not be so big. Unfortu-

nately, it is there. We cannot deny facts. The planning was wrong. When coal was in short supply, the industries wanted to have a bigger share and, therefore, they gave figures of demand which were very high.

Shri Kamalnayan Bajaj (Wardha): Development lagged behind.

Shri Sanjiva Reddy: Not only development. When coal was short, when it was difficult to secure coal, they pitched the demand very high and when we were able to deliver it, they were not able to lift it. The development is a little less, no doubt, as against what we anticipated. The Railways are using diesel oils and cement plants are using furnace oil. Some thermal stations have not yet come up. They will come up next year. There are other reasons also. I do not want to go into all those details for want of time. It is true that we have not reached the target. But we have spent money on the N.C.D.C. That was the headache. We could not produce the coal but we had spent the money; there is however potential for more production if and when required. The machinery is there. Thousands of people are there in the coal-fields and there are hundreds of people in the N.C.D.C. office at Ranchi. The potential is there but production is not there. That means there is a terrible national loss. Some steps have now been taken. Many of the officers, the Accounts Section and others at Ranchi have been asked to go to the coal pits so that the accounting and other administrative action could be directly there itself instead of the whole thing having to be referred to Ranchi. A little decentralisation has been effected now. Many of the people, men and officers, who were at Ranchi have been compelled to go to the collieries and look into the jobs on hand. Some coal-fields have been closed down. Naturally, some labour had to be retrenched with compensation. We are short of coking coal. But the ordinary coal, the inferior-grade coal has been produced in such large quantities that

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We are not able to sell it in the market. Therefore, some pits which were opened two years ago or three years ago in the Madhya Pradesh area or in some other areas have been closed down. There is no other alternative. When we need this coal, we can easily reopen these Collieries and work them.

Shri Vidya Charan Shukla: Export it.

Shri Sanjiva Reddy: We are not able to export this coal. If we can offer metallurgical coal, people are prepared to take it. If we can offer select grade coal, they are able to take it. But the inferior variety of coal we are not able to export to other countries. Our cost of production is a little high and perhaps our rates are also not competitive.

Shri Warrior: The thermal plants on the western coast can absorb it.

Shri Sanjiva Reddy: We are prepared to give this coal provided there is a demand. It is difficult to move coal to the southern parts. We are moving it by rail, by ship and then by rail. The extra cost is being subsidised. There is absolutely no shortage of coal. We will be able to move it anywhere you like and that too at the same cost. Supposing coal from the Jharia area is sent to Madras by rail at a particular cost, at the same cost it will be delivered there and it can be used for thermal plants there.

Sir, the labour situation in the N.C.D.C. was threatening at one stage. But fortunately, better sense prevailed and everybody sat together across the table, the Corporation, the labour and discussed matters. At least during this year, there has been no serious trouble. We are closing down some mines and there are thousands of labourers involved. In some mines there are 4000 or 5000 workers. Compensation has to be given and they will be paid compensation. But we

cannot keep them going on without work. Take, for instance, the Girdih mines. Thousands of workers are there without work. Every year we are losing Rs. 50 lakhs. After all it was a losing concern, and the labour also was not benefited by that. Moreover, compensation is being given to them, and alternative employment is being shown to them, and methods are being studied to re-employ them. But we do not want to waste Rs. 50 lakhs every year by way of loss in these mines.

Some hon. Members referred to the question of making available soft coke or coal for domestic use thereby saving cow-dung. This is one of the favourite subjects which we face at every meeting of the consultative committee. We can supply soft coke to places like Tirunelveli or even a village in the Punjab, but the poor villager who is earning eight annas a day gets the cow-dung today at no cost, but even the cheapest soft coke that we would give him will cost him something. When he has not got enough money even to purchase the necessary foodstuffs I do not know whether he will be in a position to purchase this soft coke with a view to saving cow-dung. Apart from that, it is difficult to reach coke to every village, and it is difficult to make it low priced enough for the poorest man to purchase it. Anyway, I have absolutely no objection if some other Department can take up this work; we shall be able to produce enough, and there would be no difficulty from our side in regard to production of soft coke and its supply to the Department.

Shri Narendra Singh Mahida (Anand): They can be given in the urban areas.

Shri Sanjiva Reddy: We can easily give it to the urban areas. There will be no difficulty in regard to that; we can keep it somewhere and supply it to the urban areas. But I was talking of replacing cow-dung by

soft coke. I do not know whether in the urban areas anyone uses cow-dung as fuel.

As regards the price of coal, it is a little on the high side, and I have been thinking about it.

As regards non-ferrous metals, my hon. friend Shri Vidya Charan Shukla had spoken on them at length. The Parliamentary Secretary has already made a lengthy speech about these non-ferrous metals, but I would like to add a little to what he has said. We are short of copper, zinc and lead. The Geological Survey has been surveying the whole country, but the country is so vast that they cannot survey every inch of the country. Of course, we have increased the staff, and we have also got extra equipment, but still the country is so large that the Geological Survey cannot hope to reach all the areas. But with the available data, I think that copper at least is available in large quantities, in different places in our country. We have the Khetri copper project, and we have been doing shaft-sinking work there. Unfortunately, this had been delayed by years, but now French credit has been secured and the equipment has been ordered. The shaft-sinking is going on and in two or three years we shall be able to start production there.

Shri Vidya Charan Shukla: The Sikkim deposits of copper have been there for several years and nothing has been done in that regard.

Shri Sanjiva Reddy: In Sikkim also copper is available, and drilling is being done and we are trying to secure foreign exchange for the Sikkim Mining Corporation. But that corporation is mainly a State corporation in which we have only a minority partnership.

16.33 hrs.

[MR. SPEAKER in the Chair].

Moreover, it is only a small mine there, and only a very

small quantity of copper is going to be produced there. But still we are prepared to assist them and give them whatever they want. It is their project and it is under them that it is working. We shall be able to give them whatever assistance they need. But we have also prospected copper deposits in some other places, and I hope that we shall be able to do more in this regard.

As regards zinc and lead, I expect that in some small areas in Rajasthan these are available. The company engaged in this is the Metal Corporation which is in the private sector. Unfortunately they are in some trouble and they have not been able to proceed very far. We have not so far been able to find these metals anywhere else in India in appreciable quantities. Therefore, we have taken a decision to import concentrates from other countries and then smelt them here, so that at least 50 per cent of the foreign exchange would be saved. We are thinking of importing concentrates from Iran. We are sending a team of people to Iran, and we have already negotiated assistance from the Polish Government for the location of a zinc smelter. I hope we shall be able to secure raw material from Iran and with assistance from Poland when a project report is being written we shall be able to have a zinc smelter based initially on imported concentrates.

Shri Vidya Charan Shukla: I hope that steps will be taken to arrest the decline in the production of non-ferrous metals.

Shri Sanjiva Reddy: I think my hon. friend is making a mistake in thinking that there has been a decline. The figures which he relies upon are only for 11 months. If my hon. friend would go through the figures for the whole year, he will see that there has been no decline at all, and the production that was there before is there even now. The figures that he is referring to are only for 11 months whereas the previous figures were for the whole

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year. My hon. friend can study these figures later and tell me if there is anything wrong.

Shri Vidya Charan Shukla: They are mentioned in the Report of the Ministry. The period mentioned is 1962-63.

Shri Sanjiva Reddy: My hon. friend might please see them again and he would find that the figures are only for eleven months instead of for the whole year.

I must also make a reference to the good work done by the Geological Survey. After all, in a huge country of the size of India, the Geological Survey cannot cover every inch of the land. There is gold, there is copper, there is something else. So they have been doing their best. With the staff and equipment that they have, they have done fairly well.

As regards the Indian Bureau of Mines also, in respect of which Shri Shukla was angry, they have done fairly well. There may be some mistake here and there. I am afraid that these will be there in every Department. If there are mistakes, we shall pull them up. But let us not condemn the whole organisation. In any institution, there are bad people, but on that score, we cannot condemn the whole institution.

There is the Khetri copper project. The IBM are doing work there. They are in so many other projects also. Good work is being done by them along with the Geological Survey of India.

Recently I had requested the Deputy Minister to go into the question of the working of the Geological Survey and the Indian Bureau of Mines to see if there is overlapping and if so, to devise measures to increase their effectiveness. We are still thinking about it, and a decision will be taken in the coming few days.

I do not want to go into all the points raised by hon. Members, one by one. For one thing, some of the Members who made their speeches are not here just now. Some useful suggestions have been made by Prof. Ranga. Prof. Ranga gave some suggestions about coal. Shri Morarka gave very useful suggestions. With his experience, and naturally by virtue of his being Chairman of the Public Accounts Committee, he has so much material before him. He gave very useful suggestions.

He was very particular about Khetri. I can assure him that we will not allow Khetri to sleep any further. We will see, that it begins production. As regards foreign exchange and all that, we will tie it up. There is absolutely no difficulty. We will do our best to push forward.

Dr. U. Misra also gave some suggestions from his own angle. He made a reference to some Asansol contractor giving some funds to the ruling party. I do not know. Some parties must get from somewhere. I wish we avoid these things on the floor of the House. I do not know which party gets from where. I need not dwell on it further.

But I must answer one point he made. That is about the loans to TISCO and IISCO. This loan was given ten years ago. There are some conditions attached to the repayment of the loan. Last September, I announced that I would send the case to the Tariff Commission. There are so many conditions attached. The Finance Minister said, 'Why all this trouble? Why not get the money back, Rs. 10 crores plus interest from each of them?' I said: 'You do it. I have absolutely no objection'. He has been negotiating. The Steel Ministry Secretary, Shri Wanchoo, has been in touch with the Finance Minister. They have been talking with the IISCO people but not with the TISCO. Anyway, negotiations are at a particular stage. I cannot

say anything further. We would like to recover the money. We are not going to lose it. If we cannot recover it, we will not shirk converting it into share capital. There is absolutely no delicacy about it.

Dr. U. Misra: Is there no power to convert it?

Shri Sanjiva Reddy: You have given us the power. The moment we feel difficulty in recovering it, we will make use of the power which the hon. House has been good enough to give us to convert it into share capital.

Shri Narendra Singh Mahida: What about amalgamation of small, uneconomic collieries?

Shri Sanjiva Reddy: Up till now, nobody had mentioned it. Therefore, I did not refer to it.

This has been undertaken on a voluntary basis. About 100 mines have come together. But it has not been successful. It is not at all satisfactory. The voluntary method will never happen. Therefore, we are thinking of bringing in legislation for compulsory amalgamation of those mines which are uneconomic. We tried this voluntary method. But since it is not achieving results, we will now bring in legislation to make it compulsory.

Shri Subramaniam spoke about re-rolling mills. Shri L. N. Bhanj Deo spoke about the Governor, how he was useful in connection with this. I entirely agree with him. The engineer Governor is not only useful as a Governor but as a technician. Orissa is making full use of Dr. Khosla who is its Governor. He takes so much interest in these developmental activities of the State.

Shri Hansda and Shri Sivamurthi Swamy also spoke. There is no need for the latter to quote some paper to strengthen his case. His case is not at all strengthened by that. He can,

as a Member of Parliament. What is the use of quoting a paper?

Shri Sivamurthi Swamy: In that paper it is mentioned that your technical committee has recommended Hospet.

Shri Sanjiva Reddy: The report has not come. Some paper wrote against you also, Mr. Speaker. So, after all, should it be quoted? It is not proper. You tell us if there is something wrong. If we make a mistake, we will immediately say that we are sorry. Particularly I will apologise to the House. There will be absolutely nothing secret about it. I am prepared to place the full facts about any activity of my Ministry before the House.

Shri Sivamurthi Swamy: Will you tell the House the percentage of iron ore in Hospet?

Shri Sanjiva Reddy: I am not an expert. I will await the report. Even if I know it, I cannot discuss the whole problem of percentage here.

Shrimati Lakshmikanthamma spoke about steel plant. Shri Tantia spoke about coal surpluses and all that. He is an expert. I am very glad he takes keen interest and comes to all the consultative committee meetings. He is one of the useful Members making contribution.

Shri Rajaram spoke. It was very useful. Shrimati Maimoona Sultan made a fine suggestion. Shri Nath Pai also made a fine speech. She spoke very good English, and he spoke better English. Till then I was a little confident that I would be able to reply to the points, but the fair lady and the good gentleman both made me afraid. My nerve was completely lost, I did not know what I would reply.

Anyway, it is not that I have covered all the points. After all, there are mistakes. We commit mistakes and we learn by mistakes. If

[Shri Sanjiva Reddy]

there is any mistake, I admit it. Only if a mistake is committed wantonly, one is responsible.

Shri Basappa (Tiptur): With regard to the quality of steel produced at Durgapur, he said that some complaint had been received. Let us know the exact complaint, and how it is being remedied.

Shri Sanjiva Reddy: My hon. friend wants me to say that the complaints have come from Mysore. The rods were not of good quality. Instead of bending, they were breaking. It was brought to my notice and to the notice of the people concerned. They have promised to improve the quality. Not only that. When we tried to export some rods to London, some of them reached there bent. We sent a Joint Secretary of the Ministry to make a personal enquiry.

Shri Basappa: It should be avoided.

Shri Sanjiva Reddy: I entirely agree.

Shri A. P. Sharma: He has not mentioned about a most important thing, mica.

Shri Sanjiva Reddy: In these 11 months I have not heard of any trouble about mica. There are a number of mica mines in Andhra and Bihar. I have had no occasion to get involved in mica trouble. That means that they are running fairly well. If there is any trouble, and he brings it to my notice, I shall look into it.

I am really thankful to the hon. Members for their useful suggestions.

Shri Nath Pai: We were promised that we could put one or two questions at the end of his speech.

He is very liberal with compliments, but we would like to draw his attention to the points we had made. I had asked two questions. One is

what about accepting the Dhebar Committee's Report that the representative character of a union shall be decided by a referendum, which will eliminate all possibilities of favouritism. Secondly, why must Secretaries of Departments be the Chairman of public sector enterprises under the control of the same Ministry, which was deprecated by the Krishna Menon Committee.

Shri Sanjiva Reddy: I entirely agree with the recommendation, but for Bokaro, the Steel Secretary is the Chairman. He is not the Chairman of any other corporation, in my Ministry.

Shri Vidya Charan Shukla: Manganes Ore (India).

Shri Sanjiva Reddy: That is a private concern.

Shri Nath Pai: Hindustan Steel.

Shri Sanjiva Reddy: No. I do not know if he was there earlier. In the last 11 months he has not been there. Shri Rao, who was Chief Secretary of Bihar, is the Chairman of Hindustan Steel.

Bokaro has not started, we have only signed an agreement a few months ago. Therefore, we thought in the initial stages it would be easier for the Secretary to negotiate with the other Government. For that purpose we keep him on for sometime. No other Corporation in this Ministry has the Secretary as its chairman. In the NCDC, somebody else is there. In the others, the Secretary is not there. Only in Bokaro the Secretary is there.

About the labour recognition, they had been recognised long ago. We cannot take out recognition that is given to them already. They had the basic strength and they had been recognised and they are running fairly smoothly. Now to go and take a vote

will disturb the whole peace of the public sector plant. How can I decide except by voting? It is not good or desirable at this stage. There is no option left to me to recognise or not.

Shri Kamalnayan Bajaj: Sir, the Minister was kind enough to allow us ask some questions. I would like to bring to his notice and ask whether he has thought about it because, when he spoke he said about the Hospet project report and said that it may come after three months or about that time; it might take about nine months to consider it and so on and then orders for machinery, etc. might be placed. When we have so many sites, we are definitely going to select some sites. Then, why not proceed and place your orders beforehand because after all the manufacturers will take some time? Meanwhile you can proceed with the consideration of the report and by the time your consideration is over, the machinery also may be ready. I admit some special type of machinery may have to be obtained. But have they thought about it. That will reduce the time.

Shri Sanjiva Reddy: I have understood the question. For instance, for Bokaro we have already signed an agreement; the project report is being written. Still we are not able to lay the foundation because the site plan is not with us. It is not as though it is that easy. Without knowing who will finance me, what the project will be and what type of machinery is needed, how can I place an order? Somebody has to give us the finances.

Shri K. L. More (Hatkanangle): Regarding the location of the Koyana Aluminium project, may I legitimately expect that the location of this project would be in some place in Kolhapur area in view of the fact that this project is based on the bauxite deposits at Udgeri and Dhangerwadi in the Kolhapur area of Maharashtra State?

Mr. Speaker: It is not a question.

Shri K. L. More: Secondly, will the hon. Minister earnestly and urgently see that the smelter goes into production during the early years of the Fourth Plan and not during the later years of the Fourth Plan as envisaged?

Mr. Speaker: All suggestions might be considered. Any cut motions to be put separately?

Shri Narendra Singh Mahida: Nos. 10, 11, 12, 15, 16 and 17.

Mr. Speaker: They were not moved. Only Nos. 1 to 6 and 22 to 29 were moved.

Shri Yashpal Singh: No. 4 may be put to vote separately.

Mr. Speaker: I shall now put cut motion No. 4 to the vote of the House.

Cut motion No. 4 was put and negatived.

Shri Yashpal Singh: No. 6 may also be put to vote separately.

Mr. Speaker: I shall now put cut motion No. 6 to the vote of the House.

Cut motion No. 6 was put and negatived.

Shri Sivamurthi Swamy: Cut motion No. 24.

Mr. Speaker: I will put cut motion No. 24 to the vote.

cut motion No. 24 was put and negatived.

Dr. U. Misra: Cut motion No. 30.

Mr. Speaker: Cut motion No. 30 was not moved.

All the other cut motions were then put and negatived

Mr. Speaker: I will now put the demands to the vote.

The question is:

“That the respective sums not exceeding the amounts shown in the fourth column of the order

[Mr. Speaker]

paper, be granted to the President, to complete the sums necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1966, in respect of the heads of demands entered in the second column thereof against Demands Nos. 86 to 88 and 140 relating to the Ministry of Steel and Mines."

The motion was adopted.

MINISTRY OF PETROLEUM AND
CHEMICALS

Mr. Speaker: Now there is the Ministry of Petroleum and Chemicals.

DEMAND NO. 82—MINISTRY OF PETRO-
LEUM AND CHEMICALS

Mr. Speaker: Motion moved:

"That a sum not exceeding Rs. 15,15,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1966, in respect of 'Ministry of Petroleum and Chemicals'."

DEMAND NO. 83—OTHER REVENUE EX-
PENDITURE OF THE MINISTRY OF
PETROLEUM AND CHEMICALS

Mr. Speaker: Motion moved:

"That a sum not exceeding Rs. 5,65,52,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1966, in respect of 'Other Revenue Expenditure of the Ministry of Petroleum and Chemicals'."

DEMAND NO. 138—CAPITAL OUTLAY OF
THE MINISTRY OF PETROLEUM AND
CHEMICALS

Mr. Speaker: Motion moved:

"That a sum not exceeding Rs. 21,89,60,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1966, in respect of 'Capital Outlay of the Ministry of Petroleum and Chemicals'."

These Demands relate to the Ministry of Petroleum and Chemicals. Would hon. Members like to hear the sweet voice of the Minister? That is all that can be done now.

Shri Warrior: Harsh voices may also be heard.

Mr. Speaker: Probably it would be better, instead of hearing criticisms; because he would have no time to answer within just 10 minutes which remain.

Shri Warrior: Some questions may be asked.

Shri Kapur Singh (Ludhiana): Some questions may be put.

Mr. Speaker: All right, Five minutes for questions and five minutes for answers.

Shri Warrior: May I know whether, in the agreement for the Cochin refinery, a portion of the naphtha which is produced is to be exported against the investment and that has come in the way of the establishment of a petro-chemical industry along with the Cochin refinery?

श्री यशपाल सिंह : मोहंद के इलाके में इस वकत पेट्रोल का काम चल रहा है, लेकिन वहां पर वर्कर्स के लिए पानी का इन्तजाम नहीं है। वहां पर पानी पन्द्रह मील से आता है। जितनी देर में पानी आता है, उतनी