

Mr. Speaker: That is changing that rule.

Shri Hari Vishnu Kamath: Modification.

Mr. Speaker: The last day is the 17th. Here, according to the present rule, it should be 17 hours. And I changed the rule at that time.

Shri S. M. Banerjee (Kanpur): I have followed your argument. There is no other way out but to accept it. But regarding Planning, it will come up for discussion afterwards, and only 4 hours are allotted for it...

Mr. Speaker: We shall see when we take that up if we want more time for that.

Shri S. M. Banerjee: At least one hour should be allotted for each year of planning.

Mr. Speaker: That is a different thing altogether.

I take it that the House agrees to that announcement that we shall apply the guillotine at five o'clock on the 17th instant.

Several Hon. Members: Yes.

12.16 hrs.

DEMANDS FOR GRANTS*—contd.

MINISTRY OF STEEL AND HEAVY INDUSTRIES—contd.

Mr. Speaker: We shall now take up further discussion and voting on the Demands for Grants under the control of the Ministry of Steel and Heavy Industries.

Shri T. Subramanyam was in possession of the House, and he may now continue his speech. Out of 5 hours allotted, 2 hours and 5 minutes have already been taken, and 2 hours 55 minutes now remain.

Shri T. Subramanyam (Bellary): I was referring to the commendable work done by the Hindustan Machine Tools Limited, Bangalore. Some features of this factory deserve special mention. It has achieved a reputation for the production of machines of a very high standard, and particularly, their products like high-speed lathes, grinding and drilling machines and certain specified machines have come up for demand in foreign countries also.

The company has developed its own special designs to cover the manufacture of some other special lathes. The domestic selling price of these machines is ten to twenty per cent below the landed cost of foreign machines of equivalent quality. The first factory that was started there was able to start another factory with its own financial resources and without the aid of foreign technical assistance.

The net profit that was earned by this company in 1961-62 was Rs. 127 lakhs. It declared a dividend of 10 per cent, to the tune of nearly Rs. 53 lakhs, and an amount of Rs. 75 lakhs was transferred to the Reserve Fund.

It is a gratifying feature that some machines were exported to West Germany and Switzerland also, worth about Rs. 11 to 12 lakhs. The amount may be small, but it is of very great significance that even countries like West Germany and Switzerland were appreciative of the use of machines. This is a typical instance of an excellent self-generating industrial unit in the public sector.

It is expected that by the end of the Third Five Year Plan, the machines both in the public and private sector that would be needed or required by the various small-scale industries, by the industrial estates, and by the workshops would be of the order of Rs. 50 crores, but actually the production would be only about

*Moved with the recommendation of the President.

[Shri T. Subramanyam]

Rs. 30 crores. There would thus be a gap of Rs. 20 crores. I suggest, therefore, that in the various regions and zones of our country, such machine tool factories should be established and they will be able to get over the difficulties of transport bottle-necks and also the freight difficulty, and make available these machines to the various small-scale industries and other concerns easily.

I shall now refer to fertilisers. A target of production of one million tons of nitrogen and four to five lakh tons of phosphatic fertilisers was fixed at the end of the Third Plan. Regarding nitrogen, the total installed capacity at the end of Second Plan period was 2,48,300 tons; the capacity of the factories under installation was 3,08,250 tons. In the Third Five Year Plan, in the first and second years capacity was licensed or approved to instal 8,31,250 tons. Thus the total capacity of nitrogen production at the end of the Third Plan was fixed at 13,87,800 tons. In this both the sectors play a role complementary and supplementary to each other—as it should be. In the private sector, the existing capacity is 18,250 tons and the licensed or approved capacity is 5,76,250 tons of nitrogen. In the public sector, Sindri and the Nangal factories have geared to their full production. The installation of the Trombay plant is making progress. It has a designed capacity of 90,000 tons of nitrogen and 40,000 tons of phosphates. The Namrup, Gorakhpur and Madhya Pradesh projects are still in their preliminary stages. Regarding phosphates, at the end of the Second Plan, the installed capacity was 73,000 tons and the actual production was 50,000 tons. The target of production, as I said, at the end of the Third Plan was 4.5 lakh tons. The installed or approved capacity in regard to phosphate is 5,34,000 tons.

It has been decided to start factories in various States including the southern region, in Madras, in Mysore

(that is, near Mangalore), in Kerala, in Andhra, Bombay and other States. My feeling is that this is of very great importance for increasing the yield in the agricultural sector and solving the problem of shortfall in agricultural production. We must aim and see that these plants and projects are implemented completely and the installed capacity is utilised fully. Next to irrigation, the use of these fertilisers is of the utmost importance in agricultural production. Therefore, I urge the Ministry to take up this task in a spirit of urgency and earnestness.

I shall just refer to cement production. Cement production at the end of the Second Plan was expected to be of the order of 10 million tons. Therefore, they wanted to have a 50 per cent increase so that at the end of the Third Plan the target was 15 million tons. 36 cement factories have been working with an installed capacity of 9.98 million tons, but actually in 1962-63, only 8.86 million tons were produced. This imbalance between demand and supply has been accentuated by the emergency. Non-utilisation of the full installed capacity is attributed to shortage of coal and rail transport. Shortage of coal can be got over by use of furnace oil. We have got a number of oil refineries coming up in various parts of the country. We can more and more take to the use of furnace oil. I urge in this context that greater attention should be paid to the use of granulated slag from steel works and other blast furnaces.

The items coming under this Ministry are of very great significance. They enable us to establish and strengthen our basic capital and producer-goods industries and will make our economy self-generating. I am sure the Minister with his drive, incisiveness, initiative and energy will be able to achieve these objectives. I support the Demands.

Shri A. N. Vidyalkar (Hoshiarpur): It has been admitted by all

sections of the House that the management of the Ministry by Shri C. Subramaniam has been admirable. By his calm, quiet and persuasive manner, with boldness and courage, he has succeeded in bringing things under his strong grip. He has practically streamlined the whole administration of his Ministry. Especially, his reorganisation of Hindustan Steel has been approved by all sections of this House. With his administrative qualities and persuasiveness, I hope he would be able to improve matters under his Ministry and we should hope that all the projects under this Ministry will give us much more satisfaction.

Public undertakings have posed many problems, and it should be a matter of serious anxiety to us if public undertakings do not give the utmost satisfaction and should fail to achieve the results that the country expects. Generally, public undertakings in all countries are a source of great financial strength, but here they tend to be a liability. I do not admit that this tendency is due to any inherent defect in the principles of starting public undertakings. These are human failings, and I am quite sure that they can be removed.

One of the principal defects is that for the administration of these projects generally administrative officers are appointed. I personally feel that technical men who have got experience, knowledge and proper understanding of industry should be appointed heads of these undertakings.

The framers of the Third Plan had advised:

"Leadership, guidance and the main driving force in a project have necessarily to come from the General Manager. He must, therefore, be selected on the basis of technical competence, administrative ability and quality of leadership."

I feel that this advice is not being properly followed. To most of the public undertakings, officers from the ICS cadre or from other administrative cadres are usually transferred. Sometimes, retired administrative officers manage to get into these posts, and this is one of the main reasons why our projects had not succeeded.

Therefore, I suggest that technical persons should be given the position and all the authority in the management. I am glad, recently General Managers have been given authority and initiative. They will have authority and initiative but they should be technical men. It is true that many administrative problems also arise. To deal with these problems, the General Managers should have administrative officers working under them in order to help them. They should handle the administrative matters under the general supervision of the technical General Manager. If this is done, we will get full satisfaction. A sort of bifurcation between the technical and administrative services should be introduced in our public undertakings.

It has been estimated that an investment of Rs. 1,150 crores has been made from public funds by the Central Government in public undertakings. All these projects are not under this Ministry, but this is the total investment. Out of this total capital, only about 25 per cent has started functioning. So, the projects are either under construction or they have been completed but not commissioned. Out of Rs. 1,150 crores, only 25 per cent is under commission. I think the process of construction is much too slow and much valuable time is wasted, with the result that the capital costs go up heavily. These delays occur due to certain identical reasons. For instance, there is defective planning in the beginning; defective indenting; under-estimating the needs, under-estimating the supplies of the components and raw materials; delays in getting sanction from the Finance

[Shri A. N. Vidyalankar]

and other Ministries or from the technical departments; and delays in securing import licences from the Ministry of Commerce and Industry, etc. Then there is want of simultaneous training of technical personnel. Sometimes projects are taken up, but proper assessment and estimates as to how far technical personnel was available have not been made. All these are ultimately the defects of planning. I think if these defects were removed, we will make further progress. I hope that the Minister of this Ministry and the other Ministers handling these projects will look into all these aspects. If the defects were inherent, inevitable and unavoidable, one could understand. But, where the defects were due to errors in planning and administration, one feels ashamed why we should not be in a position to remove this kind of inefficiency. I think it is necessary that we should closely look into this aspect, in the case of our public undertakings.

Further, in the case of our projects, sometimes the original estimates are found to be under-estimates, and the estimates go up later on. For instance, take the Heavy Electricals, Bhopal. The AEI's estimates were accepted in preference to the Siemen's. Later on, it was found that these were under-estimates, and then they started going up. Still, we have got no final estimates. I think we do not have the final estimates yet. This is also a defect in planning. Why can't we have the final estimates? It appears as if there was no planning. Unless we know the final estimates, a clear cut scheme about the development of the project will not be there, and as I have stated it is not there. These defects must be removed. I hope that complete and firm and final estimates regarding the Bhopal Electricals will be presented to us shortly.

Just as I said, there are identical defects, the officers make identical mistakes. It has been suggested, and rightly so, by the Estimates Committee and the Public Accounts Committee

reports, that some kind of guide books and hand-books should be prepared and issued to the officers who should know what they have to do in certain circumstances, what kind of difficulties and situations have to be faced, and how they are to be faced. All these instructions should be given to the officers and they should know beforehand the work they have to do. I do not mean to say that this procedure should be rigidly enforced or there should be very rigid instructions. There should be enough freedom, of course. But at least they should be warned and cautioned as to what they have to do and what kind of difficulties they have to face and how those difficulties ought to be faced. Similarly, a model form of the articles of association, model standing orders, model rules for dealing with labour, etc., should also be uniformly given to all these projects. If that is done, many difficulties will not arise. These difficulties should be solved before a project is launched.

Then, there is a tendency amongst most of the officers to remain in Delhi. The concentration of so many offices in the Capital is also responsible for many of these difficulties. I think the headquarters of these officers should remain where they have to supervise and guide directly the work of the project. This is very necessary. So, the headquarters of the project offices should be removed from Delhi and shifted to their proper places, where the projects are situated.

Then, a lot of idle capacity remains unutilised because of the callous negligence on the part of a few inefficient officers. This is a very serious matter. I know about one case perhaps with regard to the Sndri project. They had ordered, for shunting purposes, certain diesel engines. These engines were imported and remained in Bombay port for 20 months, because there was some dispute between the management and the workers. The workers said that on these diesel engines two persons should work

simultaneously and two persons should be appointed to run an engine. But the management said that one person was sufficient. The result was that for 20 months the diesel engines remained in Bombay port, incurring demurrage. In the meanwhile, the work continued to suffer. Whenever this kind of things happen, we really feel ashamed. We do not understand why these things cannot be properly managed.

In Bhopal, only 20 per cent of the capacity is being used. In Sindri, a lot of capacity was being used, but now we are told that the rate of utilised capacity has been coming down because of shortage of gypsum and coal. After all, it is a question of planning and these things should be foreseen. Somehow these difficulties should be overcome. Why should unused capacity be wasted like this? Similarly, in these projects, indigenous material is not being properly used.

I think around these projects, many ancillary industries can be started, but no effort has been made to start these small industries. There should be some coordination between the Ministries that look after small industries and those that look after big industries, so that there may be coordination between the big industries and small industries. Wherever these big projects are working, certain small industries should be started around them, so that the machine tools and components, raw material and other necessities might be supplied by these small industries, as far as possible. I think, Sir, that this effort should be made. I was really alarmed when I saw in the report that up to 1970 only 50 per cent of the components for Bhopal Electricals will be available from the indigenous sources and the rest of the components will continue to be imported. This is very important aspect, that should be closely studied.

Then, I suggest that the Government should indicate in every annual report how much indigenous material

was being used and how much imported material was being used.

My next point is that there is a tendency towards over-staffing. That tendency also should be checked. At Bhopal, the administrative expenses form 23 per cent of the total expenditure, raising the cost of production enormously. I think this matter also should receive the Hon. Minister's attention.

In the matter of expansion, whereas at one place it is stated that too much expansion raises managerial difficulties and therefore too much expansion should not take place, in certain other projects expansion is advocated and is proceeding in an unlimited and unchecked manner. This should also be properly checked.

Then I come to the pricing policy. While the prices of Indian fertilisers are high and rising up, the imported fertilisers are available at cheaper rates. Why this is so? Why our fertilisers, which are badly needed for our agriculture, should cost more and their prices should go up like this? Why is it that we cannot reduce their prices?

Shri P. K. Ghosh (Ranchi East):
Mr. Speaker, Sir, before putting forward my observations on the Demands for Grants relating to this Ministry, I would like to point out certain irregularities in the report supplied to us by this Ministry. On page 22 of the report, dealing with Heavy Electricals Plant, Bhopal, under the head "Township" we find the following observation:

"The supplementary project report submitted by Messrs. Associated Electrical Industries Limited for raising the output to Rs. 52.5 crores per annum by suitable expansion of the existing Bhopal Plant has been examined. Having regard to the overall economics of the expansion programme recommended in the report, a limited expansion of the plant for the manufacture of

[Shri P. K. Ghosh]

steam turbines and alternators is under consideration."

I leave it to the House to decide if this subject concerns the township.

Sir, the other day, Shri Morarka also pointed out that the size of the reports has been very drastically cut. He also pointed out that in most cases the same things appearing in the report relating to the previous year have been repeated in the present report. This proves that these reports which are being supplied to us by the Ministries are prepared with great negligence, although they are supposed to give accurate and detailed information so that we can discuss on them properly in this House. It not only shows negligence on the part of the officers concerned but, I should say, it also shows the disrespect of the officers for the Parliament.

Turning to the profit and loss accounts of the various undertakings under this Ministry, we find that most of the undertakings are running at a loss. Let us take the case of Hindustan Steel in which the Government's total investment is Rs. 664 crore:—Rs. 307 crores as capital and Rs. 357 crores as loans. We find that this undertaking has incurred a loss of Rs. 40 crores. From the very little information that we get we can say that the reasons for this loss are: firstly, while private undertakings are employing cost accountants and highly educated and experienced business managers having qualifications on business management, we find that these public undertakings are employing executive officers who have very little knowledge of managing business undertakings; and secondly, there is a heavy expenditure on managerial staff. What we find is that in our country a large number of staff are employed in the offices than what it should be, while the staff employed in actual production is lesser in proportion. In this connection, we should also study the working of similar undertakings in foreign countries, which

are employing a much lesser number of staff in their offices.

Another reason is dishonesty among the staff. In this connection I might give you a few examples from the book on Demands for Grants supplied to us. We find that there is a loss due to shortage of raw materials to the tune of Rs. 1.50 crores, and there is also a shortage of finished products to the extent of Rs. 1.75 crores. I hope there are some responsible persons under whom the raw materials and finished products are kept and they are accountable for any loss. It is said here that the shortage of material is under investigation. God knows how long it will take to reach a final decision in the matter. The shortage is going up and up. In 1959-60 shortage of raw material was to the tune of Rs. 47 lakhs, in 1960-61 it was Rs. 57 lakhs and so on. What we usually find is that after some time when the investigation is completed it is found that nobody can be held responsible for these shortages.

Then there are other items. Huge amounts have been charged towards bad and doubtful debts. While advancing money or materials proper care should be taken as to the *bona fides* of the persons to whom such advances are made. I think it is an act of negligence on the part of the staff not to take care of this while making such advances.

Then, we find from the Audit Report that payment to a director from the provident fund in excess of his own subscription and interest thereon amounted to Rs. 4,558. If responsible officers like directors are engaged in such malpractices, what can we expect from subordinate staff?

A lot of favouritism is being shown in the case of appointments to various posts in the public sector enterprises. The Estimates Committee has referred to this in its report on NCDC. This leads to discontentment and, consequently, lesser efficiency. If we are to do away with such complaints and appoint the right type of persons, it is

necessary that we should have a Service Commission in the lines of the UPSC for selection of persons to the public sector corporations, as recommended by the Estimates Committee.

Also, there is very little accountability for a concern in which such a huge amount of public money has been invested. We find from the Second Report of the Estimates Committee that the Government has not given any replies to a large number of important recommendations made by the Committee long ago. In this connection, I would like to quote an example from the report of the Estimates Committee:

"In Chapter VI of their 33rd report, the Committee had made the following suggestions:—

(1) a comprehensive statement showing the estimates of all items of expenditure connected with the three steel projects be prepared and presented to Parliament at an early date; (para 144).

(2) an analysis of estimates and actual costs of the three projects be prepared on a comparable basis; (para 145).

(3) the expenditure incurred on similar and comparable units in the private sector be ascertained and included in the analysis of cost referred to in item (2) above; and (para 146).

(4) estimates of the projects to be re-assessed and the differences explained properly. (para 149)."

In the very same report the Estimates Committee makes certain observations later on regarding these recommendations.

"The Government while communicating their acceptance of these suggestions in January 1961 stated that a statement setting out the expenditure in all the three steel plants, in as comparable a form as possible, was un-

der preparation and would be placed before Parliament as soon as possible. The Committee, however, regret to observe that the proposed statement has not yet been placed before Parliament, although it is over 19 months since the Government accepted the above suggestions of the Committee made over three years ago. They feel that it should not have taken them so long to prepare the final estimates of the plants on a comparable basis. The Committee trust that Government would give immediate attention to this matter and have the necessary statements laid before Parliament without further delay."

These two examples which I have quoted from the report of the Estimates Committee go to prove the correctness of the statement made by me.

Then nowadays, the Ministry have found out a very ingenious terms for explaining the losses, and that is "teething troubles". As I have shown, there are losses under so many heads. But, whenever a question is asked as to why there is so much of loss in a public sector undertaking, invariably the answer is that because the undertaking was started recently, it is facing difficulties of teething troubles. So, I would suggest that an enquiry should be made as to how much of it can actually be attributed to the teething trouble.

It was decided long ago to have a high-power committee of Parliament to probe into the affairs of public sector undertakings, but it has not yet been finalised. It appears that this is being done deliberately by the Minister concerned for reasons better known to him.

There is an even longer time-lag in training technical man-power, developing ore mines and quarries and providing transport to move the raw materials to the steel plant sites. The need, therefore, to plan for a longer

[Shri P. K. Ghosh]

time span than five years has long been advocated not only by economists but also by leaders of industry.

Coming to the fourth steel plant, I would like to make certain observations about the feasibility of the fourth steel plant at Bokaro. Here I would quote certain observations made by Mr. M. A. Fiennes, President of the U.K. Iron and Steel Institute at the recent Jamshedpur Symposium, where he said:

"India would be we'i-advised to expand existing steel plants and not to establish any new units in view of the shortage of technical and managerial manpower."

He further added:

"It is not for India in her present state of development to reach for the stars. Let other with money or ambition go into orbit and seek the moon but India's tasks must be 'severely practical'."

From the above, it is obvious that Mr. Fiennes underlined two principal weaknesses in India's planning for steel—severe shortage of skilled manpower and the lack of capital and foreign exchange for development on the scale envisaged. He dismissed the idea that India could increasingly support the expansion of her heavy industries by domestic output of plant and equipment. Machine building was even more skill-intensive than steel and progress here also must be held back by the manpower shortage afflicting steel. From this he proceeded to advise against any new major steel plants because the limited resources of skill and experience were already over-stretched. He advocated, as an alternative, setting up widely dispersed small plants and backed his suggestion by reference to contribution such units could make to regional development.

Moreover, in view of the possibility of a break-out of war with China, it

is not advisable to have large units. It is evident that the cost of production in the smaller units will be higher than the larger ones but in view of the reasons which I have given just now and also considering the employment potential of smaller units it is wise to set up smaller units. So, Government may help these industries to grow and come in competition with the larger units by giving them certain remissions in sales tax and excise duties.

For all these reasons, the fourth steel plant at Bokaro, which Government has conceived is wholly unrealistic. Rs. 300 crores is to be sunk on this project and out of this at least 50 per cent will be needed in terms of foreign exchange. The American experts from whom aid for this project is sought are also in doubt about the feasibility of this project under the present circumstances. This is apparent from the statement of the Ambassador, Mr. Galbraith, published in the *Patriot* two days ago.

13 hrs.

Shri S. M. Banerjee (Kanpur): He is going away.

Shri P. K. Ghosh: Whatever it is, what he said should be taken not of. Why then go in for this ambitious project and why not sanction expansion of the existing undertakings?

I understand that several private sector understandings have forwarded schemes to the Government for their expansion. They should be considered before we go in for any new steel project. It is good to have a number of plants in the public sector but there is no reason why in view of the great shortage of steel we should not encourage the private undertakings.

Then, it is the policy of the Government to appoint local people in these public undertakings as far as possible.

But we find that in most of these cases this policy is not adhered to. I may quote the case of Heavy Engineering Corporation at Ranchi where local people are not being given adequate preference as a result of which there is great discontentment among the local people. The hon. Minister should look into the matter and try to redress the grievance so that the instance of Rourkela is not repeated in Ranchi. National integration cannot be achieved by tall talks. If we want to have national integration, we should give a proper share to the local people.

I now come to the automobile industry. Against one car in the U.S.A. for every three inhabitants, in France there is one for nine, in Great Britain one for ten, in Germany one for thirteen and in Italy one for twenty-five, in India the ratio is one for every 8,000. This goes to prove how backward we are in respect of the automobile industry. Recently, there was a proposal to start the manufacture of a small car in the public sector and a few foreign companies had offered collaboration and machinery on a long-term credit. I do not know why this has been shelved. Although the Government says that it is due to the shortage of foreign exchange, I feel that some vested interest is there which dictated to the Government not to start this industry because it will break his monopoly. The Government obviously acted in his interest overlooking the interest of the country as a whole.

Then, there is need for heavy transport vehicles, like lorries and trucks. In view of the shortage of transport facilities which is rather coming in the way of our industrial development, Government should also encourage undertakings, either in the private sector or in the public sector—I do not mind which—to establish either in collaboration with some foreign concern or otherwise some more units for the manufacture of heavy vehicles very soon.

Then I would like to take up the cement industry. As everyone knows,

cement is the basic material required for the development of the country and ranks next in importance to iron and steel among the major industries. It is a matter of deep concern to the people and particularly to the planners that the targets in such industries are not likely to be achieved by the end of the Third Plan. Our dream to usher in a self-generating economy by the end of the Fourth or the Fifth Plan will be shattered because of the slow pace at which production is now going on.

In the face of the national emergency the cement industry has assumed added significance and its requirement has been aggravated. To meet this special type of demand, it is essential that the target of cement production is revised upwards.

Cement has been in serious shortage and consumers find it extremely difficult to get cement. There is a lot of blackmarketing going on in this product. Due to shortage of cement industrial and economic progress has been held up. From the report we find that it is estimated that by 1965-66 we would be self-sufficient in production of machinery for manufacture of cement. But something has to be done till we get the machinery from our indigenous production. As we have no foreign exchange we can enter into collaboration with foreign countries and I understand that large number of foreign countries are prepared to enter into collaboration to set up cement factories in this country.

Mr. Speaker: Shri Maheswar Naik: From now on hon. Members will kindly conclude their remarks in ten minutes.

Shri S. M. Banerjee: When is the hon. Minister likely to reply?

Mr. Speaker: He will be called at about 2 o'clock.

Shri Maheswar Naik (Mayurbhanj): Mr. Speaker, Sir, it is a year

[Shri Maheswar Naik]

since the bifurcation of this Ministry from the Commerce and Industry Ministry had been done and I am glad that Government have realised that greater and greater emphasis is needed to be placed on the development of our heavy industries. This portfolio has been placed in the hands of a Minister who has already shown his capability. Since he has taken over charge of the Ministry for large-scale industry in the private sector as well as in the public sector, he has been able to streamline many of the products and the industries themselves. For this the credit goes to him and we congratulate him from the core of our heart.

13.09 hrs.

[MR. DEPUTY-SPEAKER in the Chair.]

The heavy industries section has shown a marked progress as indicated in the Appendix part of this Report. Still, there are certain industries where the production has declined even as compared to the figures shown for 1961. I would not go into all the details but I would pinpoint certain aspects of production. For example, the production of cement mill machinery has gone down from Rs. 90.79 lakhs worth in 1961 to Rs. 81 lakhs worth in 1962. Similarly, production of agricultural machinery has gone down from Rs. 191.56 lakhs to Rs. 103.69 lakhs. Steel structurals, steel link chains and band saw blades—all have shown a decline in the matter of production. These heavy industries are instrumental towards building up of the mechanism of industrial growth in other sectors. I ask the hon. Minister why should there be any decline in the production? The Ministry should see how far they can be reoriented to the present needs of the country.

Then, Sir, there has been severe criticisms against the public sector industries particularly by the private sector people. I should not quarrel so far as other aspects of the criticisms

are concerned. But certainly I would say, I do not agree with the criticisms against the public sector because some of the criticisms are motivated purely on ideological grounds. Still there are certain aspects which I would like to bring to the notice of the hon. Minister. In the public sector industries it is felt that there is a certain amount of lack of responsibility on the part of those who are in-charge of production. It is also said that business promptitude which is available in the private sector is also lacking in the public sector. The complaints are being made about the administrative bottlenecks as well as delaying procedural matters for sanctioning money. These aspects must be gone into and remedies prescribed for them.

In this connection, I would very much like to remind the hon. Minister that some time back some parliamentary committee was suggested for going into matters with which these public sector industries were confronted. I do not know where matters stand. But I would very much like that the formation of this parliamentary committee is constituted, the matter expedited, so that the various aspects of the public sector industries which are just confronted with various lacunae may be dealt with and those lacunae removed under the supervision of the parliamentary committee.

Coming to the iron and steel section of the Ministry, I would like to say that iron and steel, being the basic materials of the country for its industrial growth, should be paid greater attention. I am glad the hon. Minister has been able to leave a mark on the production and on the developmental side of the public sector industries under the Hindustan Steel Ltd. Still, so far as the demand and supply of iron and steel are concerned, much is left to be hoped for. It is reported that our present demand is 5.1 million tons and our supply position of steel is only 4.8 million tons,

that is to say, there is a gap of 0.3 million tons. Similarly, in the case of pig iron, the position is still more unsatisfactory. While the demand is 1.8 million tons, the supply position is only 1 million tons, leaving a gap of 0.8 million tons. In spite of that I find from the reports that we are exporting steel and iron worth about Rs. 700 millions.

Mr. Deputy-Speaker: The hon. Member should conclude now.

Shri Maheswar Naik: Sir, I want two or three minutes more.

Mr. Deputy-Speaker: You will have two minutes.

Shri Maheswar Naik: I would very much like to know from the hon. Minister whether we cannot postpone our export programme of steel and iron products for the present.

So far as these three steel plants in the public sector are concerned, they have done a wonderful job and recently they have acquired the rated capacity of production and I am glad that the Minister has promised that all the three steel plants in the public sector, that is, Rourkela, Bhilai and Durgapur, will be expanded each to the tune of 2 millions tons of production and if need be, further expansion will be allowed.

In this connection, I would like to say that so far as foreign collaboration is concerned, Bhilai has been able to do away with foreign technicians to some extent. The number of foreign technicians has reduced from 107 to 42. But as far as Rourkela is concerned, the number of foreign technical personnel is sought to be increased from 218 to 265 and so also in the case of Durgapur, from 61 to 122. Although the Minister has already stated that the understudies are getting full facility to learn the technique and skill from foreign experts, still there are complaints that certain of them are not able to get the proper help which they need from those people. I would like to mention one or two points more.

Mr. Deputy-Speaker: The hon. Member should conclude now.

Shri Maheswar Naik: One minute more, Sir. So far as the Tatas' expansion scheme is concerned, it is said that the expansion scheme will not be brought into operation just because there are certain deteriorations in the quality of raw materials and there are also certain deficiencies in the facilities provided in the programme of expansion. I am told that the Ministry is examining the deficiencies and I hope the decision will soon be made. So far as the quality of raw materials is concerned, I would very much like to say a word here. The Tatas are having their ore mines in Mayurbhanj district of Orissa and Sighbhum district of Bihar. They have one mine which happens to be located in my district and it used to produce ore with ferrous content somewhere as high as 70 per cent. They have recently closed that mine. I do not understand why the Tatas complain about the deterioration of raw materials. If they continued to operate that mine, they could certainly get ores to the extent of 70 per cent ferrous content. The Ministry should go into these aspects and see whether those raw materials could be utilised in the setting up of projects either by the State Governments or by the Central Government.

श्री श्रीकारलाल बेरवा (कोटा) : उपाध्यक्ष महोदय, आज की स्थिति को देखते हुए हमारे देश में लोहे और सीमेंट की बहुत आवश्यकता है। इसके अन्दर अभी उत्पादन इतना कम होता है कि हमारी सीमेंट और लोहे की जरूरतें पूरी नहीं होती हैं। लोहे और सीमेंट के बगैर बहुत से काम अभी तक भी अचूरे पड़े हुए हैं और पड़े रहते हैं। आजकल जितने भी बांधों, या पुल बगैरह बनाने के प्रोग्राम्स हैं उनमें हर जगह सीमेंट इस्तेमाल में लाई जाती है। इसलिए ज्यादा से ज्यादा फैक्टरियां सीमेंट की होनी चाहिएं। हमारे यहां राजस्थान के अन्दर सीमेंट का काफी पत्थर निक-

[श्री श्रीकारलाल बेरवा]

सता है। इसलिए अगर बड़ी-बड़ी सीमेंट की फ़ैक्टरियां खोली जायं तो देश की सीमेंट की जरूरतें पूरी हो सकती हैं।

इसी तरह से लोहे की भकान और ब्रिजज आदि बनाने में बहुत जरूरत पड़ती है और लोहे की जरूरत के मुताबिक उत्पादन न होने के कारण हमारे बहुत से काम बाक़ी पड़े रहते हैं और हमारी जरूरतें पूरी नहीं हो पाती हैं। सीमेंट और लोहे की कमी को दूर करने के लिए मेरा सुझाव है कि जहां अभी दो पालियां चलती हैं वहां पर तीन, तीन और चार, चार पालियां चलाई जायें ताकि हमारी जरूरतें पूरी हो सकें।

खाद की भी कमी देश को पड़ रही है। अब खाद के बग़ैर हम अपनी कृषि की पैदावार को नहीं बढ़ा सकते हैं। खेती लायक़ ज़मीन बग़ैर खाद के पड़ी रहती है क्योंकि जब तक उसे खाद नहीं मिलेगी तब तक वह ज़मीन इतनी उपजाऊ नहीं होती है जितनी उपजाऊ कि उसे होना चाहिए। इसलिए खाद उत्पादन में वृद्धि करने के लिए खाद का उत्पादन भी हमें बढ़ाना चाहिए। आज हमें जो बाहर से खाद मंगानी पड़ती है वह बाहर से न मंगा कर हमारे कारखानों के अन्दर ही ज्यादा से ज्यादा खाद का उत्पादन होना चाहिए। लेकिन उसका उत्पादन देश में करने के साथ ही साथ उसके भाव के ऊपर भी सरकार को कुछ कण्ट्रोल करना चाहिए। अभी हालत यह है कि जो बाहर से खाद आती है वह हमारे यहां की खाद से काफी सस्ती पड़ती है और जो यहां खाद बनती है वह बाहर की खाद से काफी सस्ता पड़ती है और जो यहां खाद बनती है वह बाहर की खाद से महंगी पड़ती है। इसलिए देश में उत्पादन बढ़ाने के साथ ही साथ उसके भाव पर भी कुछ नियन्त्रण होना चाहिए।

मैं यह निवेदन करना चाहता हूँ कि फ़ैक्टरियों को उतनी ही ज़मीन देनी चाहिए

जितनी कि उनकी फ़ैक्टरी को सैट अप करने के लिए आवश्यक हो। अब होना यह है कि अगर एक फ़ैक्टरी को सैट अप करने के लिए १००० फुट का एरिया आवश्यक होता है तो फ़ैक्टरी के मालिक लाखों फुट ज़मीन अपने कब्जे में कर लेते हैं। इसलिये मेरा सुझाव है कि फ़ैक्टरी की आवश्यकताओं को देख कर ही कि कितनी ज़मीन आवश्यक होगी, ज़मीन का ऐलाटमेंट करना चाहिए और अभी जो फ़ैक्टरी के मालिक जरूरत से कहीं ज्यादा ज़मीन फ़ैक्टरी सैट अप करने के नाम पर अपने कब्जे में कर लेते हैं, वह फ़ैक्टरी बन्द होनी चाहिए।

कोटा देते वक्त भी सरकार को सावधानी बर्तनी चाहिए और सही आदमियों को ही कोटा दिया जाय। लोहे की चादरों का कोटा ऐसे-ऐसे लोगों को दे दिया जाता है जिनका कि कारखाने से कभी कोई सम्बन्ध नहीं होता। उनका कारखाने में कभी आना जाना भी नहीं होता लेकिन उनके नाम पर वह कोटा दे देते हैं और लाखों, करोड़ों रुपये का ब्लैक मनी घर बैठे कमा लेते हैं। इसलिए कोटा ठीक आदमियों को दिया जा रहा है या नहीं सरकार को इस पर निगाह रखनी चाहिए। मेरा कहना यह है कि काम देख कर बड़ी-बड़ी इण्डस्ट्रीज व फ़ैक्टरीज को देख कर ही उनको यह लोहे का कोटा देना चाहिए।

भूपाल में अभी बिजली का सामान बनाने के लिए सरकार ने जो कारखाना खोला है उसकी स्पीड भी उतनी नहीं है जितनी कि होनी चाहिए। बाहर से सामान मंगाया जाता है और उसमें लाकर फिट कर दिया जाता है और कह दिया जाता है कि यह हमारे यहां बना है। ऐसा नहीं होना चाहिए। जितना भी सामान अच्छे से अच्छा बन सके बाहर से मंगाने की अपेक्षा यहां बनाना चाहिए और यहीं उसको बना कर फिट करना चाहिए। हर एक चीज इस तरह से हमारी इन बड़ी बड़ी फ़ैक्टरियों के अन्दर बननी चाहिए।

बड़ी बड़ी फ़ैक्टरीज को जो कर्ज दिये जाते हैं उन्हीं के सहारे वे चलती रहती है। इसके अतिरिक्त जितने भी विदेशी एक्सपर्ट्स हमारे देशवासियों को तकनीकी शिक्षा देने के लिए आते हैं वे जन्म भर के लिए यहीं इन कारखानों में जमे रहते हैं। ऐसा नहीं होना चाहिए और हमें विदेशियों पर निर्भर नहीं रहना चाहिए। आपने हमें यहां के आदमियों को तकनीकी शिक्षा के लिए ट्रेड करना चाहिए और हमारी कोशिश ज्यादा से ज्यादा आदमियों को काम देने की होनी चाहिए। बाहर की मशीनों और कल पुर्जों आदि के बारे में उनको काम सिखावाया जाय और धीरे-धीरे जो भी विदेशी हों उनको हमें अपने कारखानों से निकाल देना चाहिए।

ऐसे ही कर्ज की बात है। जैसे किसी कम्पनी को १० करोड़ रुपया कर्ज दिया तो उस कर्ज को धीरे-धीरे कटौती कर के बसूल कर लेना चाहिए और उनको धीरे-धीरे स्वयं के ऊपर निर्भर बना देना चाहिए। उन्हें इस मामले में आत्मनिर्भर बनाया जाए। यह नहीं कि हम कर्ज देते चले जायें और वह हमारे कर्ज से फ़ैक्टरियों का उत्पादन बढ़ाते जाए और हमारे पैसे से हमारे ही सिर का मुंडन करते जायें। ऐसा नहीं होना चाहिए। उनसे धीरे-धीरे कर्ज बसूल होने चाहिए। हमें स्वयं अपने देशवासियों को ज्यादा से ज्यादा तकनीकी शिक्षा देनी चाहिए।

मेरा निवेदन यह है कि जितनी हैवी इंडस्ट्रीज हैं, बड़ी बड़ी इंडस्ट्रीज हैं, उन में ऐसे कल व पुर्जे आदि बनायें जोकि लघु उद्योगों के अंदर काम आए ताकि लघु उद्योग देश में अधिक मात्रा में विकसित हो सकें। छोटी छोटी मशीनों के पुर्जे बनाये जायें ताकि देश में छोटे उद्योग बड़े पैमाने पर चालू किये जा सकें। आज इस बात की बड़ी आवश्यकता है कि हमारे वहां फ़ैक्टरीज में इस तरह के पुर्जे बनें ताकि हम लघु उद्योगों को प्रोत्साहन

दे सकें। बस इतना कह कर मैं अपनी जगह बैठ जाता हूँ।

Mr. Deputy-Speaker: Shri Ram Sewak; he is not here. Dr. K. L. Rao. Ten minutes; please do not exceed that time.

Dr. K. L. Rao: (Vijayawada): Mr. Deputy-Speaker, this Ministry is of vital importance for the industrial growth of the nation and it is happy to note that the Ministry has the guidance of a seasoned, dynamic and successful Minister, the hon. Shri C. Subramaniam. There is one sector, the sector of electrical industry which has registered rather not very much of progress and which seems to exhibit a certain lack of interest and attention. I propose to deal with that sector alone.

Power sets the pace of development of a country. On it depend the industries which have got perennial and plentiful supply of power are the countries which have got the richest resources and wealth at the present day. Therefore, it is accepted on all hands that power development in this country must proceed with very great pace and as rapidly as possible. Particularly so because among the important nations of the world, India almost occupies the last position. With only 45 kw. per capita, it stand miles behind various other nations. Even the backward nations of Europe have got power to the extent of 50 or 100 times. That is why we want to double up our installation of power in the Fourth Plan. That is, we are preparing to have 12 million kw. of power installed by the 4th plan, at a cost of Rs. 2500 crores. This means an expenditure of foreign exchange of Rs. 800 crores. It is almost impossible to get this amount of money in the 4th plan when we find it difficult even to find only Rs. 370 crores required for the 3rd plan power sector. Much more so because of the changed conditions

[Dr. K. L. Rao]

and our emphasis on defence needs. Therefore, if you want to see that our power development proceeds according to our plan, it is essential to see that the machines which are required for this power generation or manufactured in this country.

Our effort so far has been rather halting and unsuccessful. The Estimates Committee report on Bhopal is very illuminating and it shows a lot of points of weakness and points of shows utter confusion and lack of success. Ramachandrapuram and Raipur are still on the ground level. Unless we introduce an element of speed, unless we take some other measures, it looks impossible for us to supply the needs of the 4th plan from indigenous manufacture. It is very necessary for us to remember that no sizeable augmentation of our power is possible unless there is indigenous manufacture. It is, therefore likely that the country will be let down by lack of progress in this sector which is within easy achievement of our nation.

We started thinking about power installation and power equipment just after the Second World War. It is about the same time that even backward nations of Europe like Bulgaria, Rumania, Poland and Yugoslavia started thinking of electric installations. What happened? While those countries had registered progress to such an extent that they are exporting equipment to this country, we lost 7 years in committees and we lost another 7 years in thinking and trying to decide. With the result that we have not made good progress, and the other backward countries have made tremendous progress. This itself is a condemnation of our vacillation and halting nature in the matter of development of the electrical industry. I would only briefly review one or two aspects which in my opinion have led

to the slow progress in this sector of electrical industry.

The first factor is our concept of things, of big-sized units or factories. We thought of Bhopal as the biggest unit in Asia. For what purpose? Bigness is a curse for nations which are in making like ours. We should have started with much humbler aims. Whatever might be our wish, we must remember that there is such a thing as gradation, and there is such a thing as a process of evolution through which we have got to go. That has been the case with all countries, and that has been the case with even England and other more advanced European countries.

For example, at Bhopal, even before we have been able to manufacture one single unit of hydraulic turbine or generator for which purpose that factory was established or conceived, we have already started thinking of expanding it in fields like steam turbines, steam generators etc., which have nothing to do with the original concept. By this kind of diversification, we are making it more uneconomical, and we shall be making it more difficult of achievement.

For example, at Bhopal, it is already noted that the amount of expenditure on unproductive items is so great that even at a later stage when the articles are manufactured up to the full target or up to the full capacity, still it will not be possible for us to sell those products at competitive prices unless we write back a certain amount of money that we have spent on that factory.

What I mean to say is that we should not think of these big-sized factories.

Similarly, we have also made another mistake in thinking of the big programmes of big-sized units. In this country, even the 60 M.W. or 75 M.W. unit is a bigger size unit than we have had experience with. In fact,

even this unit has only recently been introduced, and we are having any amount of bad experience and difficulty with this type of units. That being so, there is no point in going in for very big-sized units.

It should be remembered very clearly that the bigger the size of the unit, the bigger the investment is. It is also to be remembered that these bigger units involve a highly complicated process like re-heating, higher boiler pressures, higher temperatures, and materials of construction which will stand these various complicated processes, and all these things have got to come from outside, because we have not got experience of these things.

It would, therefore, have been reasonable to start with a medium type of unit or medium type of manufacture. That is what is indicated by the state of conditions in our country. What does it matter if instead of having three units of 100 M.W. we introduce 5 units of 60 M.W. each? There is nothing wrong in that. It may be argued that the bigger units have an efficiency which is three to five per cent more than that of the medium or smaller units, and, therefore, we shall be spending less coal for use in these bigger units. That sounds reasonable but that is certainly not true in reality, because when we have all these large schemes under the aid programmes, we have got to pay through our nose. For example, under any aid scheme, first, we have got to pay for the project report very heavy charges; then, we have to pay for the consultancy throughout. More than that, when we buy machines, we have to pay two or three times the world market price. Further, when we think of having these big units, we introduce also certain techniques and materials which will make us perpetually dependent upon them for foreign exchange. Therefore, if we take stock of the whole situation, it will very easily show that the three or five per cent increase in efficiency is set off in the

present context of our economy. In the present context of development, therefore, it is much better to go in for the medium size units.

There is one other aspect which we should remember when we are planning for these big units, it is very necessary to see that we do not come in the way of the development of power under the Third Plan projects at least. I was rather sad or I was not quite happy when I read in the report that the high pressure boiler plant to be manufactured at Tiruchirappalli is to be utilised for Kothagudem station. I only hope that it is for the Fourth Plan station and not for the Third Plan station. I hope that it is not for the Third Plan project. For, Andhra Pradesh, as it is, is suffering from great scarcity of power, and it is with a large amount of hurry and thinking that this Kothagudem station has been planned. If that is also to be held up on account of this boiler manufacture, then it will become very difficult. Of course, naturally, we shall have teething troubles in the beginning; the factory itself is yet to be started, and so on. Therefore, I only hope that it is not linked up with the present project, but it is meant for the Fourth Plan project. If it is meant for the Fourth Plan project, then, of course, there is nothing wrong in that.

Similarly, at one stage, it was programmed that the 50 M.W. set for the Nagarjunasagar hydro-electric project was to be purchased or got from Bhopal. When Bhopal has not been able to manufacture even one single unit of even a small size, there is no meaning in thinking of a 50 M.W. set and coming in the way of the development of power. I do submit, however, that whenever, of course, we are able to do at least one unit, we shall not allow anything more to be brought from outside and we shall get all the sets from within our own country.

So, that is one of the precautions that we have got to take when we try

[Dr. K. L. Rao]

to build up our factories and do our planning. All this shows that our planning and our procedures do require some re-thinking in respect of the Heavy Electricals.

I would, therefore submit for the consideration of the hon. Minister, an alternative solution or an alternative approach, and it is this way. For example, in the Fourth Plan we require an annual production of Rs. 160 crores worth of machinery. Out of this amount, assuming that for these big units, under the aid schemes from the foreign countries, we shall be getting about half the amount, there still will remain a gap of Rs. 80 crores to be spent on the manufacture of these units from within. Assuming an investment-benefit-ratio of 2:1, for these Rs. 80 crores, we shall be requiring about Rs. 160 crores. Assuming that about two-thirds of it will be in terms of foreign exchange, it will come to about Rs. 100 crores of foreign exchange. Therefore, I would submit to the hon. Minister this suggestion for consideration. If we can spend Rs. 100 crores on small or medium size factories with an outlay of Rs. 5 or 10 crores each, and establish a series of factories, each one being devoted only to one type of machine, only one type of turbine, or only one type of generator, or only one type of transformer, or only one type of circuit-breaker and so on, then the advantage would be that as we can erect the factories as we get the foreign exchange; we shall have to secure this foreign exchange of Rs. 100 crores only once, for, if once these factories are set up, they will create their own self-generating growth, and it will not be necessary to seek any more foreign exchange. I would also submit that it is necessary not to have any collaboration in the public sector, because that does not lead to very happy results. I would submit that you may get retired Chief Engineers from the AEI or other established companies, and you may pay them any kind of salary that they want; it does not matter what salary

they ask for; you may pay them even one lakh of rupees a month, because during the two or three years for which they will remain, they will draw up the plans etc. and with the plans, we can buy the machines etc. ourselves. What I mean to say is that there is no use getting under these collaboration schemes boys who have not got any experience. Recently, I came across a boy, almost a boy of 21 years, being paid Rs. 6,000 in one public undertaking. Instead of getting such people, I would submit that the retired Chief Engineers of the AEI or other such established companies could be employed, and if we associate them with these undertakings, they will draw up the plans, and we shall be able to buy the machines also ourselves from the world market at competitive prices.

I only submit once again that the electrical industry requires very careful re-thinking and a very careful approach, and I am sure that under the guidance of the able Minister, it will be possible to do these. We must be very clear in our minds that unless we take steps to augment power in the Fourth Plan, the target of the installation of 12 million k.w. in the Fourth Plan will remain only a hope and not an achievement.

श्री शिवमूर्ति स्वामी (कोप्पल) : उपाध्यक्ष महोदय, राष्ट्रीय उद्योगों के इस मंत्रालय से हम देश के विकास और प्रगति की बहुत कुछ बुनियाद डाल सकते हैं। कामर्स एंड इंडस्ट्रीज मिनिस्ट्री और माइन्ड एंड फ्यूअल मिनिस्ट्री भी इस सम्बन्ध में बहुत कुछ कर सकते हैं। इन दस मिनटों में ज्यादा न कहते हुए मैं सिर्फ चन्द प्वायंट्स इस सदन के सामने रखना चाहता हूँ और प्रार्थना करता हूँ कि इन प्वायंट्स पर गौर किया जाये और मंत्रालय उन के बारे में इन्क्वायरी कराए और जहाँ तक हो सके, आवश्यक सुधार करने की कोशिश करे।

हमारे देश में तकरीबन ६०० करोड़ से ऊपर के बड़े बड़े राष्ट्रीय उद्योग फल-फूल रहे हैं, इस के लिए हमें आनन्द है, लेकिन इस बारे में मैं यह सुझाव देना चाहता हूँ कि क्या हम छोटे छोटे उद्योगों को बढ़ाने के लिए छोटे छोटे कारखाने हिन्दुस्तान भर में स्थापित नहीं कर सकते, क्योंकि इस प्रकार इंडस्ट्रीज का कान्सेन्ट्रेशन इतना बढ़ जायेगा कि उन इंडस्ट्रीज को सम्भालने में बड़ी कठिनाई का सामना करना पड़ेगा।

एस्टीमेट्स कमेटी और पब्लिक एकाउंट्स कमेटी की रिपोर्ट्स से साफ जाहिर होता है कि इन इंडस्ट्रीज के एडमिनिस्ट्रेशन में बहुत कुछ गोल-माल और ऐसी बातें हो सकती हैं, जिन को मंत्री महोदय नहीं देख सकते हैं और इस प्रकार हम इन को ठीक तरह से सम्भालने से बिल्कुल दूर रहते हैं।

माइन्स एंड फ्युअल मिनिस्टर ने अपने भाषण में तमाम राष्ट्रीय उद्योगों का नक्शा खींचते हुए बहुत जोर से कहा कि हम भारतीय राष्ट्रीय उद्योग को सोशललिस्टिक पैटर्न पर स्थापित करना और चलाना चाहते हैं। इस में शक नहीं कि हम सोशललिज्म के आधार पर ही इन उद्योगों को स्थापित करें, लेकिन प्रश्न यह है कि सोशललिज्म किस किस का हो और किस तरीके से हम उस को स्थापित करें।

मैं समझता हूँ कि सोशललिज्म का मतलब स्टेट-गाइडिड सोशललिज्म नहीं है, बल्कि हम डेमोक्रेसी गाइडिड सोशललिज्म चाहते हैं। लेकिन यह देख कर हम को अफसोस हुआ कि मंत्री महोदय ने अपनी स्पीच में डेमोक्रेसी के बारे में एक लफ्ज भी नहीं कहा। वह डेमोक्रेसी को भूल कर स्टेट-गाइडिड सोशललिज्म यहाँ पर स्थापित करना चाहते हैं। जिस प्रकार बड़े बड़े देवल धर्म के नाम पर इस दुनिया की तमाम सम्पत्तियों को छीनते हुए लोगों को एक्सप्लायट करते आए हैं,

उसी प्रकार सोशललिज्म के नाम पर, बड़े बड़े कारखाने को बढ़ावा देने के नाम पर, यह कह कर कि सोशललिज्म हमारे लिए लाइफ एंड डेथ का क्वेश्चन है, आज गरीब लोगों का एक्सप्लायटेशन चल रहा है। सोशललिज्म लाइफ एंड डेथ का क्वेश्चन है तो सकता है। लेकिन जो फिजिकल लेबर करता है जो गरीब है, उसकी इमदाद अगर हम नहीं करते हैं, जिसकी आमदनी बहुत कम है, उसकी इमदाद अगर हम नहीं करते हैं, तो रीयल सोशललिज्म की स्थापना नहीं हो सकती है। इतनी बड़ी बड़ी तनखवाहें ले कर और अफसरों को दे कर, अगर यह कहा जाता है कि सोशललिज्म की स्थापना की जा रही है, उस तरफ हम बढ़ रहे हैं तो मैं समझता हूँ कि यह नालायकी है। इस के बारे में कोई गलतफहमी नहीं रहनी चाहिये। न इस हाउस को और न ही हमारे राष्ट्र को कोई गलतफहमी हो सकती है। मैं सोशललिज्म के खिलाफ नहीं हूँ लेकिन डेमोक्रेसी गाइडिड सोशललिज्म के हक में मैं हूँ। स्टेट गाइडिड सोशललिज्म के हक में नहीं हूँ। आज यहाँ स्टेट गाइडिड सोशललिज्म चल रहा है। किस तरीके का यहाँ सोशललिज्म चल रहा है, उसके बारे में बहुत सी रिपोर्टें पेश की गई हैं और उनको पढ़ कर मैं सदन का वक्त नहीं लेना चाहता हूँ। इतना ही कहना चाहता हूँ कि जिस तरीके से यहाँ पर उद्योग चल रहे हैं, जिस तरीके से यहाँ पर कारखाने चल रहे हैं, उनकी तरफ आप देखें। अभी फल या परसों की ही बात है, यहाँ पर एक सवाल पूछा गया था नम्बर ८४८। यह सवाल श्री एस० एन० द्विवेदी जी ने पेश किया था। सवाल यह था :—

“Whether the approval of the Union Government was sought in regard to the sale of a low shaft furnace owned by Kalinga Industries Ltd. to Messrs. Orissa Industrial Development Corporation; and

[श्री शिवमूर्ति स्वामी]

"who determined the price at which this was purchased and what is the amount finally fixed and approved?"

मुझे अफसोस के साथ कहना पड़ता है कि फ़ैयर प्राइस क्या हो सकती है, इस केस में इसका बिल्कुल ध्यान नहीं रखा गया है। दो सौ और तीन सौ परसेंट ज्यादा मूल्य पर यह सौदा हुआ है। हमें यहां पर बता दिया जाता है कि यह जो एप्रोमेंट हुआ है, यह उनका ही आपस में हुआ है। लेकिन आप देखें कि यह एप्रोमेंट किन किन लोगों के बीच में हुआ है। कालिंगा इंडस्ट्रीज के रिप्रेजेंटेटिव कौन थे। उसके रिप्रेजेंटेटिव श्री पटनायक जो कि उड़ीसा के मुख्य मंत्री हैं

उपाध्यक्ष महोदय : यह स्टील और हैवी इंडस्ट्रीज की बात नहीं है, माइज एंड प्यूल का है।

श्री शिवमूर्ति स्वामी : यह स्टील एंड हैवी इंडस्ट्रीज का है।

Shri S. M. Banerjee: May I submit that yesterday actually a question was answered in this House?

Mr. Deputy-Speaker: I know it.

Shri S. M. Banerjee: It was answered by the hon. Minister himself.

Shri Sivamurthi Swamy: The question was addressed to the Minister of Steel and Heavy Industries.

उड़ीसा इंडस्ट्रियल डिवेलपमेंट कार्पोरेशन के रिप्रेजेंटेटिव कौन थे? किन्होंने उस पर दस्तस्त किए? वह वहां के मुख्य मंत्री ही तो थे।

सोशलज्म के नाम पर और क्या क्या होता है, इसको भी आप देखें। कालिंगा को ही आप देखें। इसकी कहानी मैं आपके सामने पेश नहीं करना चाहता हूँ। यह बहुत लम्बी चीड़ी कहानी है। इसके बारे में शेयरहोल्डर्स

की तरफ से शिकायतें आपके पास आई हैं और एडमिनिस्ट्रेशन के पास खुद भी बहुत सी शिकायतें होंगी। मैं कहना चाहता हूँ कि खुदा के नाम पर जो शिकायतें आपके पास आती हैं, उन पर आप फ़ौरन एक्शन लें, फ़ौरन ही, जरूरी हो, तो इंस्पेक्टर आप बिठाएँ। सोशलज्म के नाम पर इस तरह की चीजों को जारी नहीं रहने दिया जाना चाहिये। मुझे फ़ख्र है कि स्टेट्स में जो मंत्रीगण हैं तथा केन्द्र में जो मंत्रीगण हैं, वे बहुत अच्छा काम कर रहे हैं और इनका इस तरह की चीजों से ग्राम तोर पर कोई ताल्लुक नहीं होता है लेकिन एक दो ऐसे जो इंस्टैंसिस आपके नोटिस में आते हैं, उनकी रोकथाम करना भी आपका फ़र्ज होना चाहिये।

यह जो पाइप लिमिटेड कम्पनी है, इसकी कहानी से आप वाकिफ़ हो हैं। जहां बाकी इस तरह की इंडस्ट्रीज को, इस तरह के कारखानों को जितना पाइप का प्रोडक्शन वे करते हैं, उसका तान या चार या ज्यादा से ज्यादा पांच परसेंट जिफ़र का आवश्यकता नहीं पड़ती है, वहां इस एक खास फ़ैक्ट्री को बारह परसेंट दे दिया गया था। इसके मुकाबले में दूसरों फ़ैक्ट्रीज भी हैं जिनको बिल्कुल भी नहीं दिया जाता है। देने के बाद भी यह जिफ़र कहां जा कर बिका है, इसको भी आप देखें। कालिंगा ट्यूब लिमिटेड के दरवाजे पर कोई जिफ़र नहीं आया, वह इधर से उधर कलकत्ता में ब्लैक मार्केट में जा कर बिक गया। लारो नम्बर इसके आपके पास हैं और किन किन को बेचा गया है, यह इनफ़ार्मेशन भी आपके पास मौजूद है। क्यों कोई उस पर एक्शन नहीं लिया गया है, समझ में नहीं आता है।

इतना ही नहीं, एक और इन ट्यूबज की बात मैं आपके सामने रखना चाहता हूँ। हमारा मैसूर स्टेट में ट्यूबज का एक व्यापारी है। ट्यूबज को सप्लाय के बारे में वहां के पी० डब्ल्यू० डी० मिनिस्टर और चीफ़ इंजीनियर

के बीच झगड़ा हो गया था। चीफ इंजीनियर साहब चाहते थे कि मैसूर की ट्यूब को लिया जाए। लेकिन उन पर सियासी दबाव डाला गया और उन से कहा गया कि उस को छोड़ कर दूसरी कम्पनी से जो कलकत्ता या उड़ीसा में है, उसकी ट्यूब को लिया जाए। अगर ऐसा किया जाता तो मैसूर को डेढ़ करोड़ रुपये का घाटा पड़ता। चीफ इंजीनियर ने इस को नहीं माना और अपनी बात पर अड़े रहे। उन्होंने उस रेट को मानने से इन्कार कर दिया। अन्त में इसका क्या नतीजा निकला, इसको आप देखें। उनको डिप्रेड होना पड़ा और कम्पलसरी रिटायर हो कर जाना पड़ा। वह हाई कोर्ट में गए। हाई कोर्ट के चीफ जस्टिस ने स्टे आर्डर शू कर दिया और स्टे गवर्नमेंट और चीफ इंजीनियर से कहा कि आपस में वे राजीनामा कर लें क्योंकि इस केस से कुछ नहीं होगा, स्टे गवर्नमेंट को इज्जत नहीं बढ़ेगी। इस तरह के जो इंस्टेंसिस होते हैं, इनकी तरफ आपका ध्यान जाना चाहिये।

यह जो नामिनी बनाने का तरीका है, इसकी तरफ भी आपका ध्यान जाना चाहिये। चन्द लोगों को जो नामिनी बनाया जाता है, वे बाद में डायरेक्टर बन जाते हैं। वाइफबेटर हाफ हो सकता है लेकिन चूँकि वह किसी बड़े आदमी की वाइफ है, इस वास्ते स्टे का पैसा उस इंडस्ट्री को खिला कर इंडस्ट्री को बढ़ावा देना कहां तक जायज हो सकता है, इसको आप देखें। मैं इतना ही कहना चाहता हूँ कि आपके पास जब शिकायतें आयें, तो आप उन पर एक्शन लें। अगर आप दस बीस साल तक कोई एक्शन नहीं लेते हैं और उनको इस तरह से प्रोत्साहन देते रहते हैं, तो कहां का यह सोशलिज्म है, समझ में नहीं आता है। सारे देश के हित को दृष्टि में रखते हुए, इस देश की जनता के हित को दृष्टि में रखते हुए, मैं आप से प्रार्थना करना चाहता हूँ कि आप उस तरह से न करें जिस तरह से धर्म के नाम पर, देवालय में बैठा हुआ पुजारी वहां पर आए हुए भेंट में जेवरतों को खा कर लोगों को एक्सप्लायट

करता है सोशलिज्म के नाम पर, इंडस्ट्री को बढ़ावा देने के नाम पर आप स्टे के पैसे का दुरुपयोग इस तरह से न करें। इस तरह से अपने अपने नामिनिज को, अपनी अपनी बाँवियों को पलते हुए नहीं देखा जाना चाहिये, इस तरह के जो इंस्टेंसिस हैं, इनका आपको नोटिस लेना चाहिये और इस तरह की चीजों को दूर करना चाहिये। नेहरू जी के राज में या कांग्रेस के राज में अगर इस तरह की चीजें नहीं रुक सकती हैं तो इतना तो हम आपसे एक्सपैक्ट कर ही सकते हैं कि जब ये चीजें आपके नोटिस में लाई जायें तो आप न्याय करें, इनको दूर करने की कोशिश करें। जिस तरह से आपने डालमिया इंडस्ट्रीज के बारे में इन्स्पेक्टर नियुक्त किया था, एक्शन लिया था उसी तरह से कालिंगा इंडस्ट्रीज, कालिंगा एयरलाइज, कालिंगा ट्यूब लिमिटेड के लिए भी आप एक बाडी नियुक्त करके, इनक्वायरी करायें और उसकी जो रिपोर्ट आए, उस पर एक्शन लें।

Shri P. R. Patel (Patan): I thank you for the time given to me. In the short time at my disposal, I will refer only to some points that would help some industries of Gujarat. Before I do so, I must congratulate the Ministry. I have gone through their report and have come to the conclusion that there are achievements all round—in production and all those things. On this, I must congratulate the Minister.

However, I must submit for his consideration one thing. Everyday we are saying that in the private sector, the managers, directors and all those people make money, commit fraud an dall that. However, the private sector industries are prospering and giving dividends to the shareholders. I fail to understand why that much profit is not made in the public sector. We have honest persons, our management is quite efficient, economy is there; with all these claims. I fail to understand why we are not showing sufficient profit in our public sector undertakings. (Interruption).

[Shri P. R. Patel]

Some days back the Controller of Iron and Steel visited Gujarat. He had discussions with the State Minister of Industries, some prominent merchants, some factory owners and heard their grievances. The grievance was that while the yearly requirement of pig iron to run industries was 56,000 tons, the quota allotted was only 5,570 tons a year. Gujarat is a new State where small and big industries are coming up, and the industries are starved for want of pig iron and steel. The minimum requirement according to the State Government's estimate is 20,000 tons a year. If this requirement is not met, the investment made and the factories in Gujarat will lie idle, and the country will also lose production.

I know that the requirements of iron and steel in the country are much more than the present production. We are going to start a fourth factory in the public sector, and I wish it success. There are some factories in the private sector also, but the question before the country is production of more iron and steel. As agriculture is the base of the prosperity of the country, iron and steel is the base of all industries. I hope some way will be found to expedite production of more iron and steel in the country by starting more factories. I am not for the private sector, nor am I absolutely mad about the public sector. I want industries in my country, whether in the private or the public sector, with efficient, neat and clean management. I would request the hon. Minister to consider the matter.

I put a question regarding distribution of corrugated iron sheets in Gujarat which was replied to on 14th May, 1962. Thereafter I had also the opportunity to raise a half-hour discussion. If my information is correct, after that the Ministry appointed a committee of officials to go into the matter and some investigations were also made. I would like to know the results of the investigations. I would like to know

the broad features of the report submitted by that committee, and would request the Minister to lay the Report on the Table of the House.

The question of these iron sheets is a painful thing in Gujarat.

Shri S. M. Banerjee: Everywhere.

Shri P. R. Patel: It may be everywhere, but it is much more painful in Gujarat.

An. Hon. Member: It is worse in other places.

Shri Kapur Singh (Ludhiana): It is worst in Punjab.

Shri P. R. Patel: We do not get even ten per cent of our requirements, and we have to rely on the black market. At the time of the discussion I disclosed that in Delhi any amount of iron sheets could be had in the black market. If there is scarcity of corrugated sheets, how is it that they are freely sold in the Delhi market? There is one thing more about the Delhi market. They give the bill at the control price and take the extra money and put it in the safe. So, they also cheat the Government in sales tax and income-tax. I would submit that this black market should be stopped. The police is there. We are paying high salaries to the men in the police department. They must investigate and stop this evil. Whether Gujarat gets it or not, I am first concerned with the stopping of this evil of black-marketing.

Shri S. M. Banerjee: And the politicians should help.

Shrimati Yashoda Reddy (Kurnool): From this side or that side?

Shri P. R. Patel: There are politicians also who get money from such blackmarketees, I know. It is better not to speak about that. Similarly, pig iron also can be had from the black market, and again it would be costly.

Lastly, in Gujarat new factories are coming up and we are going to have a refinery. The petro-chemical industry is going to be developed. Even today, food preservation, vegetable and edible oils and the pharmaceutical industries are flourishing, and for these tin containers are absolutely necessary. There is no factory in Gujarat which gets a quota for tin for manufacturing tin containers, and Gujarat is asked to get these containers from Bombay or Calcutta. It has become the monopoly of Bombay and Calcutta. Is it not proper to locate one factory at least in Gujarat, looking to the needs of the State?

There is one factory with machinery and everything, called the Gujarat Metal Box Company, at Ahmedabad. It manufactures tin containers also but from tin bought in the black market. No quota is given to it.

The difficulty of the Ministry is also there. The Planning Commission has its own plans. It has decided that there should be no further factories to manufacture these tin containers, with the result that Gujarat, Rajasthan and other States have to go to Bombay and Calcutta for these containers and bring them in wagons. It is quite costly.

I submit this matter should be considered. It would be better to give a quota to this factory, or any other factory, because I am the least concerned with this particular factory. I am only interested in having such an industry in Gujarat. That is my only submission.

Thank you again for the time given.
14 hrs.

The Minister of Steel and Heavy Industries (Shri C. Subramaniam): Mr. Deputy-Speaker, Sir, at the outset I would like to thank the hon. Members for their kind words of appreciation with regard to the performance of my Ministry. It was about a year ago that I took charge of this Ministry and a few months later I had occasion to place before the House some of the problems relating to steel

and heavy industries. But during this one year I have had a more comprehensive picture of the various problems involved, a comprehensive picture which a layman like me and a newcomer like me could comprehend. To the best of our abilities we are trying to take action to solve those problems. The role of steel and heavy industries in the economic and industrial development of the country was emphasised by almost every hon. Member, and during this discussion naturally steel got the major portion of the time, and understandably so, because steel is the pace-setter for all the other developments, and that is why hon. Members were good enough to make various suggestions to improve the working of this Ministry and improve production.

Particularly, points were raised with regard to the public sector and private sector in the steel industry. On the communist side, Dr. U. Misra said there should be no place for a private sector in the steel industry and the existing private sector industries should be nationalised. Shri Morarka—I am sorry I do not find him here—made a useful contribution to the debate. He put the question as to why the private sector plants should be allowed to expand. But from the way in which he put the question it was not as if he was objecting to the expansion of the private sector projects because he put the further question: if you are prepared to allow the expansion of private sector projects, why do you object to newcomers in the private sector to take up these projects. Perhaps he was more concerned with that. But, as far as steel industry is concerned, it is a mixed economy today, and even though I am particularly and specially concerned with the public sector projects under the Hindustan Steel Ltd., still, as Steel Minister, I have got an overall responsibility for the steel industry which includes the private sector projects also. Therefore, it is necessary, before I go on to apprise the House of our achievements in this field, however

[Shri C. Subramaniam]

small that achievement might be, and also to deal with our future goals, I would like to refer to Government's policy with reference to the public sector and the private sector.

While the Government's industrial policy reserves the iron and steel production to the public sector, it permits growth in the private sector, where it is in the national interest. It is in pursuance of this policy that the private sector steel plants were encouraged to expand in the first and second Plans since it is a fact that the expansion of an existing plant, to make fuller use of the inbuilt capacity, is more economical than the setting up of another plant. This is in fact the principle on which we are acting in the public sector also, where we are expanding our three steel works before the building of a new steel works. This also answers Shri Morarka's query as to why we are willing to permit the existing private sector units to expand further. I am glad he is here now. I am happy to add that mixed economy in steel has yielded fairly good results and I am happy to say that during my experience in this one year these two sectors have worked in harmony. The public sector, as a matter of fact, has borrowed many men from the private sector with the latter's agreement. The Central planning on production affects both equally if it affects at all, and protects also equally both. It has been the objective of planning and will continue to be, to share the market demands fairly and equitably. In the context of our planned economy, in the products of our steel plants too, there is no possibility of unhealthy competition, nor will there be any even when the fourth and other public plants come into production.

I would, however, recognise that growth, whether in the public or the private sector, depends on resources and on the pricing system. There is no discrimination here, and it affects both sectors equally, because the dec-

lared policy of Government so far has been common prices for the public and private sector alike. I would like to say categorically that this policy will continue and be sustained. In the further development of the steel industry that I envisage, while the public sector will naturally provide the main increase according to our policy, I am sure that the private sector also will continue to co-exist and play its part.

I think the enunciation of this policy is particularly necessary because of the criticisms we hear on the floor of this House every year—one section attacking the private sector projects and the other section attacking the public sector projects. We have laid down our industrial policy, and we are determined to pursue that policy not because we are adamant about it but because we feel and sincerely feel and feel convinced too that it is in the best interests of the country. Therefore, the industrial policy has been laid down after very careful consideration. No doubt we make departures here and there when we think it is necessary in the interest of the nation as a whole, but we follow that policy because in the context in which India is placed, and the development which has got to take place in this country at a fast pace, we believe that the industrial policy which has been laid down in the resolution is the best in the interests of India. I hope and trust that it should be possible for us to pursue that policy with the full co-operation of this House. I am sure while we do criticise here and there, on the whole, the support of this House will be fully in favour of the implementation of the industrial policy which we have laid down for ourselves.

I would, first of all, refer to what we have been doing for improving the performance of the steel plants in the public sector under the Hindustan Steel Ltd. The first step we took was the reorganisation of the Hindustan

Steel Ltd., which came into effect on the 1st July, 1962. By that reorganisation we gave more autonomy to the plants as such, and it was not merely autonomy to the General Managers but autonomy to the plants—decentralisation of power not only with reference to the General Managers but from the General Managers to the various levels in the plants. That was the first step we took. That step created a new atmosphere in the various plants, because, after the getting of this autonomy, there was a spirit of competition between each plant; not only competition between each plant in the public sector, but as a matter of fact, there was a competition between the public sector projects and the private sector projects. To add to that, the emergency in October created by the Chinese aggression also contributed to the creation of a new atmosphere from top to bottom in these new plants. It has given a new direction and purpose to the activities in these plants. Therefore, we find that the first step which we took, added to the new atmosphere created by the Chinese aggression, had yielded very good results and that is reflected in the figures of production with reference to the public sector projects. This atmosphere created by the emergency was not confined to the public sector projects alone. In private sector projects also, there was the same atmosphere of new enthusiasm for the purpose of increasing production. So much so, on the whole, 1962-63 has yielded very good results, taking into account the production.

Looking at the figures I have, I find that as against 1.14 million tons of pig iron and 2.82 million tons of finished steel in the calendar year 1961, we produced .97 million tons of pig iron and 3.71 million tons of steel in 1962 calendar year. During the first three months of this year, the production of pig iron for sale has been running at the level of about 100,000 tons per month, a significant increase from the level of the previous 9 months. I hope Mr. Patel will have some satisfaction. The production of steel is being maintained at the level of half

a million tons of ingot steel a month, which means 6 million tons a year, which is the full rated capacity of all our steel plants. In this, the performance of what I described as the sick child—Rourkela—has been remarkable. The plant touched 60,000 tons of ingot steel level in October, 65,000 tons in November and has been since then producing between 70,000 to 73,000 tons between December and February. It produced 91,000 tons in March, a record figure. Durgapur has similarly increased its production from 58,000 tons in October to 91,000 tons in March. Bhilai has always done consistently well—about 90,000 tons per month since August 1962.

At this stage, I would like to answer a point raised by Shri Bakliwala in the course of his speech that Bhilai steel was exported to Egypt and because of its sub-standard quality, it was rejected. I have also heard that there have been publications in some newspapers to that effect. I do not know where from they got these facts. It is absolutely false. This is how we try to run down the public sector steel plants. Particularly some people do not like Russia and they try to run down the plant which has been imported from Russia. The same thing happens on the other side also. Some people try to run down Durgapur or Rourkela. These production records are good by any standards.

In terms of the financial year 1962-63, the production of pig iron for sale was 1.07 million tons as against .99 million tons in 1961-62. The production of ingot steel was 5.39 million tons as against 4.27 million tons in 1961-62. The contribution of Hindustan Steel Limited to the 1962-63 production was 0.72 million tons of pig iron and 2.55 million tons of steel. The production of finished steel rose from 2.9 million tons in 1961-62 to 3.9 million tons in 1962-63, which is about 87 per cent of rated capacity, in spite of the difficulties which we were undergoing in the early part of the year. This is not an inconsiderable gain and our thanks are due to the steel works—the management and every

[Shri C. Subramaniam]

individual production worker—for this achievement.

During the last 4 months, the production of steel is keeping to the target level of 6 million ingot tons. I have no doubt that this rate of production will not only be maintained but improved upon. Measured in terms of money, at current selling prices, the gross steel produced in 1962-63 was Rs. 245 crores, which is about Rs. 63 crores over that of 1961-62.

While the first phase of reorganisation in July 1962 yielded some results, we have given effect to the second phase of reorganisation from 1st April, 1963. That relates to the composition of the Board of Directors, and also the powers of the various Directors. I am sure hon. Members remember that we had 5 or 6 whole-time Directors and they were functional Directors—Director of Production, Director of Construction, Director of Sales, Director of Finance, etc. There was a Committee of management, which was taking decisions with regard to the day-to-day administration of the company. As I have already explained during Question Hour, there was a good deal of delay in the functioning of the committee of management. With effect from the 1st of April, we have made the Chairman the Chief Executive of HSL. We have abolished the posts of all the whole-time Directors. We have reconstituted the Board and in doing so, we have tried to bring into the Board fresh blood, some versatility and considerable industrial management and experience. I want to stress this fact. This is not the end. We are continuously studying the problems of management. As a matter of fact, we had the advantage of an expert from the Ford Foundation coming here and making study. One of our officers has gone to the United States to undergo training in industrial problems and management. We are taking advantage of the developments which have taken place in the various parts of the world to streamline the administration.

Therefore, it is going to be a continuous process and whatever changes are necessary, I can assure this House, I would not hesitate to bring about. But those changes have got to be well thought out and it has got to be done in such a way that it does not affect the current working of HSL. That is why I am making these changes step by step, so that in that process, the current working of the company is not in any way affected.

Another system which we have introduced for the purpose of improving the functioning of the HSL is the quarterly conference of General Managers and the Directors. The subjects for discussion are laid down even beforehand. And notes are circulated. In the first General Managers' Conference we indicated to them that we should step up production in the steel plants, and we laid down the target—I think it was in August or September that the first conference was held—for, particularly, Durgapur and Rourkela which were not working properly at that time. We wanted that by the end of December, 1962, these two plants should reach the 90 per cent rated capacity. At the same time we also fixed the target to be reached by the end of March, 1963. We said that by that date they should reach the full rated capacity. They accepted the challenge, and I should congratulate them for achieving these targets as they were laid down. By the end of December, 1962, both the plants attained the production level of 90 per cent—Durgapur, as a matter of fact, went a little further and it produced 92 per cent—and by the end of March, 1963, as I already indicated to the House, the production in Durgapur and Rourkela was at the level of 91,000 tons ingots—that would mean not 100 per cent but 108 per cent of rated capacity—and I have no doubt in my mind, as I already expressed, that these records would be kept up and sustained.

While I congratulate myself and I congratulate all those who were associated with these achievements, I am not unaware of what has got to be done further, because it is not merely the quantity which matters, the quality also is important. We have got to produce to meet the various needs of the industries, quality steel which is required particularly by the engineering industries and other sophisticated industries. In that regard also we have been making continuous efforts, and I am glad to say that in all the plants the quality of production also has been continuously improving.

It is not merely the quality which is important the cost of production also is important. Some people seem to be under the impression—of late I have been reading articles in some of the foreign journals—that the performance of the private sector projects in India is much more efficient than the public sector projects. Perhaps that comparison is with reference to what was happening in 1961-62 when many of our steel projects were producing at the level of 30 per cent, 40 per cent and 50 per cent. After all, 1962-63 is only the third year of their production—perhaps, the second year of full production—but if we take into account 1962-63 figures, which give, particularly, the works cost, the cost of production in the public sector projects is comparable and in certain cases it is more favourable than the cost of production in the private sector projects in spite of the fact that they have got the experience of 40 years and 50 years behind them.

Now, in spite of the fact that the cost of production is about the same, we are still making huge losses. That has got to be explained. This general question was particularly put by Shri Patel and he asked why the public sector projects are making losses whereas in spite of the so-called frauds or real frauds which are happening in the private sector they are able to make profits. The answer is quite easy. We are having projects in the public sector which are basic,

which are heavy industries, which are slow-yielding and not quick profit making. Take any steel plant in any part of the world. Take the history of the Tatas. When were they able to break even? Leave alone Tatas because it might be said that it was in a more backward country that Tatas established their steel plant; take any progressive country, any developed country. If we only go into the history of a steel plant from the start and try to find out when they were able to break even we would find that it is only six or seven years afterwards that they were able to break even. I am not trying to give this as an excuse for the faulty performances in our public sector projects. But hon. Members should realise that in the public sector we are taking the more difficult industries, the more basic and heavy industries and not the consumer industries which can be established in one or two years and from which we can immediately make quick profits. They are left to the private sector, and that is what we have decided. Therefore, there is no use of trying to say that the private sector projects are more efficient and because of this they are able to earn more profits and more quickly.

Sir, I was on this point that during 1963-64 we have set targets for the reduction in the cost of production. We have said that during 1963-64 the cost of production should be brought down by 15 per cent. It is not merely laying down a figure of 15 per cent. With regard to each plant after careful study we have marked the areas in which they have to bring down the cost of production. I have no doubt in my mind that with the steps that have already been taken this reduction of 15 per cent in cost is possible of achievement during 1963-64.

But, in spite of that the investment cost in the public sector projects, in the steel plants, is much more than in the private sector projects because in the early years—20, 40 or 50 years ago—those plants cost much less and

[Shri C. Subramaniam]

depreciation has been allowed to such an extent that the book value of the plant is almost nil. Therefore, they need not provide for depreciation charges in these cases. Even when we allow depreciation charge, it is extra because the entire plant has already been written down. Therefore, the cost of investment per ton is different when we take into account the private sector projects and the public sector projects, not because they are private sector and public sector projects but because one is an old plant and the other is a new plant. When the expansion takes place in the private sector plants to that extent their investment also is going up. Therefore, today, if we take into account the Indian Irons it works out to about Rs. 900 per ton; if we take TISCO it works out to about Rs. 1250 per ton or so and if we take the public sector projects they range from Rs. 1800 to Rs. 2250 per ton. When we have to provide for depreciation on this basis, when we have to provide for interest on the basis of loans that we have borrowed for this purpose and when we have to earn profit on this, naturally, particularly in the initial stages, we are unable to compare ourselves with the profits earned—not with regard to performance—by the private sector projects. This is the real difficulty, but we have got to get over those difficulties. Taking into account that our new plants are technologically more advanced, we should be able to take advantage of it and bring down the cost of production more and more and that can be brought down only by the better utilisation of the raw materials available to us.

Generally, it is brought to our notice that we were producing iron at a much cheaper rate 10 or 15 years ago, and now the cost has gone up. I agree that the cost has gone up. But we have also to take into account the factors which have contributed to the increase in the cost. If Tatas were

producing efficiently with the old plant that was mainly because they were able to get select raw materials of the highest quality possible because the quantity to be mined in respect of iron ore and the quantity of coal which had got to be obtained for the purpose of running these plants were limited and therefore by manual labour they were able to mine iron ore as it could be hand-picked with the result that select iron ore could be obtained. Therefore, they were able to maintain the quality. Also, I am sure that hon. Members are aware what the wage at that time for this manual picking of iron ore—perhaps it was 4 annas, 8 annas or 12 annas and nobody agitated for higher wages at that time. Therefore, the wages were cheap, they were able to get the best quality raw material and there was no trouble. But now with the increased tempo of steel production with regard to quantity, mechanised mining has got to take place. And, with mechanised mining it is not possible to have this selective mining which was possible when it was done manually. That is why there is deterioration in the quality of iron ore and the quality of coal. That is the general complaint made by the private-sector projects saying “we do not get the ore we were getting before.” It is impossible unless we restrict production only to that plant. Now, with the increased production of steel more and more I have no doubt that the quality of raw materials also might deteriorate to a certain extent. And what has got to be done is—it is not as if this is a problem peculiar to India, it is a problem applicable to the entire world—and therefore what has got to be done now is to have beneficiation methods for the purpose of improving this raw material. To that the hon. Member, Shri Morarka, made reference. We are aware of these problems and we are taking steps in that direction.

It is not only that. When we mine with mechanised equipment we get

iron ore, some portion of which is lump iron ore and some portion what we call fines. It is not possible to use fine straightway in our blast furnaces, and therefore we use only the lump ore. The cost of production, when we use the lump ore alone, increases, because thirty or forty per cent, and in some cases even fifty per cent, is fines which cannot be used in the blast furnace. Therefore, unless we are able to use these fines also, the cost of production of this iron ore is bound to be at a higher level. Therefore, now there are methods to use these fines by sintering it, by agglomeration and we are able to use these fines. That is the process which we are using at Bhilai today, to use those fines.

But even that has given rise to a problem, because these fines contain extraneous material like alumina and others which bring down the quality of the sinter. Therefore these fines have also to be beneficiated. These are all problems which we come to know by experience, by getting into difficulties. If we are not confronted with these problems we would never know about them. And therefore it is today that we are engaged in the beneficiation of our iron ores and working out the possibilities of using these fines by sintering. When we are able to utilise these fines and also beneficiate the iron ore and these fines, to that extent the cost of production also can be brought down. We are proceeding on these lines.

In the same way, coal. While we have large reserves of coal, coking coal is limited. Even that metallurgical coking coal has got a high ash content. Therefore we cannot straightway use that coal; it has got to be washed. That also puts up the cost of production of coal. But with the higher ash content it affects the production of iron in the blast furnace. I am told by the experts that if we improve the ash content by one per cent, that is, if we bring it down by one per cent, it gives a three per cent increase in the pig iron production. That is why we are thinking in terms

of getting better type of coking coal from outside the country with a lower ash content and blending it with our coal. But it is not possible with reference to the plants which are located inside the country; they will have to be taken advantage of for plants which may be based on the coasts. But this is the problem.

And in the same way, limestone. The quality of the limestone having regard to the increasing demand for it is going down. And now we have evolved methods of beneficiation which immediately improve the quality of production and also the quantity of production in these furnaces. Therefore I can assure my hon. friend that these problems have been taken note of by our technical experts and they are in pursuit of solutions for these things.

In this connection I would like to refer to the good work done by our laboratories, particularly the National Metallurgical Laboratory and the Fuel Research Laboratory. They have done very good work, in the field of beneficiation of ore and limestone by the National Metallurgical Laboratory, and with regard to the improvement of coal consumption and coal improvement—washing and all these things—by the Fuel Research Laboratory. And I have no doubt in my mind that as we go on we would be able to benefit by the good work which is being done in these laboratories.

While all the steel plants in the public sector and in the private sector have now come up to the rated capacity production, we have to achieve, according to the Third Plan, a target of 10 million tons by the end of the Third Plan period. And this has to be mainly achieved by the expansion of the public-sector projects: Bhilai from 1 million tons to 2.5 million tons, Rourkela from 1 to 1.8 million tons, Durgapur from 1 to 1.6 million tons. These expansion programmes also have been taken up, and particularly

[Shri C. Subramaniam]

in Bhilai we are almost keeping to the schedule, and 1963-64 may give us some additional production from the expansion, and by 1965 the expansion is expected to be over. But with regard to Rourkela and Durgapur we are a little behind schedule. With regard to Rourkela the tenders have been scrutinised and letters of intent have been issued to the various successful tenderers. But the orders could not be placed, because we had to get clearance of the credit from the West German Government. I am proceeding to Bonn day after tomorrow and on the 25th we would be signing the contract for the expansion of Rourkela. Some point was raised with regard to the credit made available by the West German Government for the Rourkela expansion; I think Dr. Misra said that we are not getting the full foreign exchange to cover the Rourkela plant expansion. I can tell him that the entire foreign exchange required for the purpose of the Rourkela plant is being provided for by the West German Government.

As far as Durgapur is concerned, there also we have placed orders, and some of the tenders are still under scrutiny but very soon all the orders will be placed.

As far as Rourkela and Durgapur are concerned I am afraid that significant contribution to production will be made only in 1966-67, and therefore there will be a shortfall with regard to the attainment of targets during the Third Plan period.

But the shortfall relates not only to this. We took some credit for production in Bokaro. Unfortunately, there has been some delay in taking up the Bokaro project. And hon. Members, I am sure, are quite aware, particularly of the recent controversy which is going on in America with regard to this project. The survey team which came over here for the purpose of looking into the various problems

connected with the Bokaro steel project have submitted their report, and we have received a copy of that report. I should thank them for the very good report which they have produced, bringing out the various problems involved in putting up of the Bokaro project. While I have not yet fully studied the Bokaro project report which is under the study of our officers, I am hoping in spite of all this controversy which is going on, that the Bokaro project will be taken up as a public sector project with American assistance. Let us all hope that it would fructify in that way, and let us not do anything, or say anything which will stand in the way of getting assistance. I would not go farther than that, as far as this is concerned.

In addition to that, we have also been considering the expansion programme of Indian Iron (IISCO). They have got a programme of expanding by another million tons but they want it to be done in two phases—first phase of 3 million tons expansion programme and the second phase of .6 or .7 million tons. As far as the .3 million tons expansion is concerned, it is an advantageous project of expansion, and we have accepted this in principle. Further details are awaited from the company. I hope they would do everything to expedite this.

Therefore, with all this, we may not be able to achieve 9 million or 10 million tons of production by the end of the Third Plan period, but it is my hope that during the first year of the Fourth Plan it should be possible for us to reach the target of 9 million tons, if not 10 million tons. In this connection, particularly with regard to heavy industry projects, we have learnt a lesson during the Second and Third Plans. If we take up these projects after a Plan period begins, naturally we find that it is impossible to implement these projects and even if we want to implement these projects the implementation

generally is towards the end of the Plan period so much so that all the work has got to be taken up in a bunch, they get completed in a bunch, the availability of steel also comes in a bunch which creates difficulties. Therefore, my attempt has been to see that there is a more even tempo of development of steel production, so much so that it is not during the end of a particular plan period that we get additional production of 5 million or 6 million tons. We should phase the programme of implementation of steel projects in such a way that every year we could be getting some additional production of one million tons or two million tons, according to the programme that we have for a particular Plan period. Therefore, to that extent the delay in Rourkela and Durgapur may facilitate the phasing of these programmes during the Fourth Plan period. There are advantages in certain failures also; of course, that does not mean that we should go on making failures, but I am just mentioning the advantages. Therefore, we have taken up the planning of the projects in the Fourth Plan even now.

A steering committee has been appointed for the purpose of working out a targeted production programme of 18 million to 19 million tons, by the end of the Fourth Plan period. If we have to achieve this high target of 18 million to 19 million tons, it cannot be done by the expansion of the existing plants alone. It is contemplated, and it has been accepted in principle, that the two private sector projects also would be allowed to expand, subject to looking into the financial structure and the financial requirements for that expansion. The Bhilai plant will further expand from 2.5 million to 3.25 million tons. Durgapur may go up to 3 million tons. Rourkela may go to 2.5 million from 1.5 million tons. But, taking all these into account, we would not be able to reach this target of 18 million to 19 million tons. That is why we are looking to other areas of steel development so that we may have develop-

ments of this nature in other areas also, which is also very important. Apart from making up the target, it is necessary to develop other areas also. Now, the concentration of iron and steel industry has taken place in the north-eastern region. Therefore, we are looking out for new areas of development.

Shri P. R. Patel: Is it possible in Gujarat?

Shri C. Subramaniam: The hon. Member should know better. Anyhow, just now we are looking into two regions—Bailla-dilla Vizag and, secondly, Bellary-Hospet-Goa regions. Teams have been set up for making preliminary investigations to find out the possibilities of locating steel plants there, particularly locating them on the coast so that we may take advantage of what I mentioned earlier, namely the import of high grade coking coal from other countries.

Shri Morarka (Jhunjhunu): What about Salem?

Shri C. Subramaniam: It is a Third Plan project. I am glad, my hon. friend, Shri 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 matter in this House; so D.M.K. friends should be glad to know that the north Indian friends are as much interested in the southern region as themselves. Otherwise, I am sure they would have made much noise here about the Salem steel plant. 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 & Company 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

[Shri C. Subramaniam]

taken for the expeditious implementation of this project in Salem.

In addition to ordinary steel production, we have to have matching alloy any special steel in which field, I am sorry, we are lacking a little bit. A target of 200,000 tons was fixed for the Third Plan period. There has been some delay in taking up the Durgapur project. Fortunately, now we have received tenders, the tenders have been scrutinised and, perhaps within next two or three days, letters of intent would be passed on to the tenderers for the Durgapur special alloy and steel plant. In addition to that, I have had consultations with the project authorities, with our consultants and with the suppliers of the plant, and we have laid down a very rigid programme of implementation for the Durgapur special steel plant, so that we may have production, as early as possible. It has been indicated that the first furnace should go into production on the 2nd October 1964. I am giving this date purposely so that I may not slip and those who are in charge of this may not slip; that is why I am publicly giving this target date. We have also laid down two other target dates—one in 1965 and another on 31st March 1966—by which time the implementation of the entire project should have taken place and it should be possible for us to get the advantage of full production during the first year of the Fourth Plan period.

In addition to that, as hon. Members are aware, we have decided that we shall convert the Bhadravathi Steel works into special alloy steel plant so that we can have quick yielding results. We are just now negotiating the terms of collaboration and, as a matter of fact, it is also one of the matters which I would be attending to during my trip abroad. I am hoping it would be possible to have production at Bhadravathi by the end of this year to the extent of 10,000 to 15,000 tons and the entire project

would get implemented, that is, the change over to special alloy and steel production, within 18 months or so from the end of this year. So, before the end of the Third Plan period, we hope to get 100,000 tons from Bhadravathi, of various types of special alloy. In Durgapur the capacity has been increased from 40,000 to 60,000 tons and we would be reaching the target of 80,000 tons at Bhadravathi. Therefore, these two projects would be able to give us roughly about 1,50,000 tons. In addition to that, we have licensed about 10 or 12 firms in the private sector to the tune of 2 lakh tons. Therefore, when all these projects get implemented, perhaps, we would be able to meet the entire requirements of the Fourth Plan period. But it is my intention to review the whole thing within the next one or two years to find out how far implementation is taking place in the private sector and, if there is any failure there, it might be necessary to go in for another project for the purpose of reaching the target during the Fourth Plan period.

While we are expanding steel production it is necessary for us to have the trained personnel required for this purpose because with more and more steel projects we would require more and more trained technicians. By adopting the normal methods perhaps it may not be possible to have a sufficient number of men. That is why we are thinking of, what I call, steel cadets and special training programme of steel engineers; instead of their going through the conventional programme of engineering education and then getting a re-orientation in steel engineering, from the very beginning give steel orientation to engineering education so that time also would be saved and we may also get specialised men in this field. That scheme is under the active consideration of Hindustan Steel Limited. In establishing this Steel Institute for the purpose of training, I hope, the entire steel industry would participate. They

have agreed to give their co-operation in this respect.

In addition to that we are trying to develop technical know-how, engineering and design capacity within the country. I am sure, hon. Members are aware that we have got a Central Design and Engineering Bureau attached to Hindustan Steel Limited. As a matter of fact, it is this Bureau which worked out the expansion scheme of Rourkela and Durgapur. They have done a very good job and they are entitled to be congratulated upon the good work that they have done. It is our intention to expand this organisation so much so that to the extent possible we will be able to design and engineer our future projects without depending upon foreign engineers and foreign experts. Therefore this organisation will have to be further developed. In the initial stages for the purpose of getting the experience we are getting some German experts and some experts from the UK for strengthening this organisation because it is this Bureau which would be in charge of the expansion programme of Rourkela and Durgapur.

We have another organisation also which has been doing very good work in preparing project reports and giving us the expert advice which is required. I am referring to Dastur and Company who have been appointed as our general consultants in the place of a foreign concern. It is our intention to utilise Dastur and Company also to the maximum extent possible in the various projects which we are setting up. I am personally looking into the fact as to how this organisation and its set-up should be, so that it may fit into the development of steel in the public sector. I hope and trust that with these two organisations, namely, the Central Designs and Engineering Bureau and Dastur and Company it should be possible for us to have the expertise from these two organisations so that we may become mostly self-dependent with regard to the expansion in the steel sector.

We are also thinking of setting up a separate construction organisation. We have gained considerable experience in the construction of steel plants but, unfortunately, that experience is now getting lost because men who were in construction section tried to get into the operation section as soon as the construction was over. It is not as if the construction programme is over. On the other hand, it will go on increasing. Therefore we should take full advantage of the construction experience which our men have gained. Therefore we are considering the setting up of a separate organisation for construction as a subsidiary company of Hindustan Steel Limited so that these men may be permanently employed there.

Some hon. Member made a mention about the contractors' work and said that we should cease to have contractors in the construction of these various steel projects. When this organisation gets into full swing, it may be possible to give up these contractors to a great extent. We may not be able to avoid them fully; but it may be limited. I am sure, there are other organisations also but this will be a special organisation for the construction and erection of steel plants.

Dr. U. Misra (Jamshedpur): What about enlisting the present engineers in the steel industry for the future?

Shri C. Subramaniam: They are all working in the steel plants.

Dr. U. Misra: There are also engineers who have got the experience but who are not working.

Shri C. Subramaniam: To the extent engineering capacity is available here and engineers are available here, we will certainly take advantage of their experience, knowledge and skill. If any particular case is brought to our notice, certainly we will take advantage of it. I know, Dr. Misra has got a case in mind.

Dr. U. Misra: What about the Central pool?

Shri C. Subramaniam: We shall consider all that.

With regard to the distribution of steel we appointed a committee known as the Raj Committee. They have submitted their preliminary report and we hope to get the final report soon on the basis of which we hope to take decisions for streamlining the distribution of iron and steel.

Then, I come to the machine-building section in my Ministry which has to play a very important role in the industrialisation of the country. In machine building the Heavy Machine Building Plant at Ranchi has to play a very vital role. This big machine building complex is being built up there with Russian collaboration. I am glad to inform the House that the construction programme is not only going according to schedule but if anything it is a little ahead of the schedule. It should be possible for us to take up production as scheduled during this year of certain items; not all the items. Every year more and more items would be fabricated and manufactured in the Heavy Machine Building Plant.

The two allied projects are foundry forge and heavy machine tools which are being put up with Czech collaboration. Unfortunately with regard to foundry forge we got into certain difficulties particularly in the foundations. After the upward revision of the capacity of foundry forge it was found necessary to have better foundations with reference to the soil available there. A new piling method, what is known as the caldwel method, is now being used there and the difficulties have been got over. Even though we are a little behind schedule, hereafter there will not be any obstacles in the implementation of this project.

As far as the Heavy Machine Tools is concerned, that project has not yet been finalised with the Czechs and it is currently under negotiation with some other projects to which I would refer later on. In machine building machine tools have to play a very important role. Shri T. Subramanyam made a reference to the Hindustan Machine Tools. As a matter of fact, it is one of the best industrial organisations we have in the country today. Many foreign experts have visited Hindustan Machine Tools and have paid their compliments with regard to the organisational set-up there and the quality of production in Hindustan Machine Tools. They have reached the level of production of 2,000 machines per year six or nine months ahead of schedule. It was expected that they would reach that target by November 1963, but they have reached that target even in November 1962, I think, ten or eleven months ahead of schedule.

As I mentioned in answer to a question, machines produced in Hindustan Machine Tools are being exported not to under-developed countries but to West Germany and Switzerland. With reference to price and quality we are able to compete with them. Therefore on this occasion on behalf of the House and on behalf of the people of this country I would like to congratulate Hindustan Machine Tools on its achievement.

Shri S. M. Banerjee: Give them bonus.

Shri C. Subramaniam: Yes, I know what my hon. friend is interested in. They are getting bonus also. Without good management and labour relationship all these achievements would not have been possible. So, let us not disturb good relationship by our interference.

Shri P. K. Ghosh: Why is the same system of management not introduced in Hindustan Steel projects?

Shri C. Subramaniam: It is not as if this Hindustan Machine Tools Ltd. is confined to the production in the unit at Bangalore. It has taken up the putting up of another unit at Pinjore with its own internal resources. That is, once we have an efficient plant like that, it becomes self-generating, self-generating in trained personnel and also with reference to the resources. So, with the entire internal resources available from Hindustan Machine Tools, a new factory to produce at the rate of one thousand machines per annum is being put up at Pinjore and as scheduled it will go into production in October, 1963.

Recently, a decision has been taken that Hindustan Machine Tools should put up another machine tools project to produce a thousand machines per annum in Kerala. The site has also been selected and the work has already started there and in 24 months the Kerala project also will go into production.

There is another machine tools project under my Ministry which is in the public sector, public sector in the sense that we have also an interest, the Andhra Government has also an interest, but there is a small percentage of private shareholders also, and that is the Praga Tools at Hyderabad.

Shri P. K. Ghosh: While the Praga Tools are running in loss, why is it not being put under the management of Hindustan Machine Tools?

Mr. Deputy-Speaker: Order, order.

Shri C. Subramaniam: We have an expansion programme for Praga Tools also. But after my visit to Praga Tools, I have come to the conclusion that there is no use expanding Praga Tools as such. No doubt, certain expansion programme

will have to be gone through at the site where Praga Tools is located. My intention is to limit it to that, but to have another Hindustan Machine Tools unit there in Hyderabad which will produce various types of machine tools. We are negotiating with the Andhra Government for the purpose of obtaining land and it is our intention to have a full-sized machine tool plant at Hyderabad. Therefore, HMT will be having four units after which we will rationalise production and specialise production of particular types in each factory about which Dr. K. L. Rao was mentioning. We shall specialise in the production of special types of machine tools in particular plants. That is being taken up and I hope and trust that would also go through. But more than that, I am assured by the Hindustan Machine Tools management that during the Fourth Plan period, they will be able to give each year a new project, so much so it should be possible within six or seven years to have a Hindustan Machine Tools branch in every State in our country.

In the private sector also machine tools have got to be manufactured. But unfortunately they have not made as much progress as we expected. We are trying to make it up in the public sector.

Then, there is the general machine building industry with regard to cement manufacturing machinery, sugar manufacturing machinery, paper manufacturing machinery and other types which are also important. During the year 1962-63 they have also made considerable progress. But I find there is a little bit of consumer resistance because even now, in spite of the fact that our quality of production has considerably improved, still many of us have got the illusion that the foreign production is superior to indigenous production. Therefore, there is some resistance. But I hope it should be possible for us to get over this resistance particularly when we prove the efficiency of our machines and that is being

[Shri C. Subramaniam]

realised more and more and, therefore, in establishing new units for the purpose of putting up sugar units or cement units or paper manufacturing units we are using more and more indigenous machinery and I hope that would go on increasingly. We are also making an approach that this machine building industry need not specialise in the sense that there is a plant for manufacturing sugar plant or cement plant. All these are general engineering industries. Therefore, we want to make them multi-purpose so that whatever is in demand could be produced in these engineering industries. With this approach I hope and trust that it should be possible for us to make greater progress in machine building. But I do realise that we should have a perspective plan with regard to our machine building programme because if we have to have self-generating growth in our country, it should be possible for us to produce as many of the machines within the country as possible. Therefore, with regard to the Fourth Plan targets and also taking into account what would be our requirements in the Fifth Plan, we are trying to work out a perspective plan and the plan of implementation of this programme also so much so during the Fourth Plan period and the Fifth Plan period machine manufacture will reach a level which would contribute greatly to the growth of industries in our country.

Then, I have got the fertiliser industry in my Ministry. I am sorry I am unable to report as much progress in this field as had done in the other fields. No doubt, we had licensed to the extent of 1.3 million tons of nitrogen in the private sector and the public sector. I am sure the hon. Members are aware that a decision was taken, even though fertiliser is reserved for the public sector under the Industrial Policy Resolution, that in the interest of more fertiliser and expeditions production of fertiliser the private sector also should be brought into the

picture and we have licensed more than half a million tons capacity in the private sector. But unfortunately they have got into difficulties and perhaps there might be explanations and justifications for these difficulties, but the point is, generally, the private sector projects are not making much progress and, therefore, at the end of the Third Plan period, instead of their contributing to the extent of 2 lakhs or 3 lakhs tons, I find they will be contributing only 35,000 tons of nitrogen, that is, 1/10th of what we expected them to contribute. Therefore, automatically, I am afraid, the targets which we have laid for ourselves will have to be brought down and if we are able to reach half a million tons capacity, we should be happy about it, and we are trying our best to see that we implement the project as quickly as possible, particularly the public sector projects.

As hon. Members are aware, the Gorakhpur project in UP, the Namrup project in Assam and Trombay in Bombay are all under construction. Particularly, Trombay will go into production some time in the middle of next year. Namrup and Gorakhpur will go into production only towards the end of the Third Plan and about Madhya Pradesh which was in the private sector, we had cancelled that licence and now we have taken it up in the public sector.

In the private sector the only two projects which are making some headway are the Kothagodum project in which arrangements have been completed and as far as the Visakhapatnam project is concerned, we are discussing various things and we are hoping that it should be possible to put through that project also. We have then got the Gujarat project and the Rajasthan project. Both of them are under various stages and I do not think they will go into production during the Third Plan period.

I am sorry I left out another important sector—the production of

heavy electrical about which Dr. K. L. Rao spoke with authority. But unfortunately when experts speak, we are put to difficulties. It is because it is in consultation with the Central Water and Power Commission, of which he was a very distinguished Member and Chairman too, that we laid down our programme of production with regard to the generators. He emphasized here that 60 MW or 75 MW generators should be more than enough for our country and said that perhaps the bigger generators might create difficulties for us. But other experts have given different advice and perhaps I do not know what advice Dr. Rao gave when he was there. But whatever it is, we have taken a decision that it has got to be 100 MW and above, and that alone will produce results and that alone would make economic production of electricity which would bring down the cost of production and, therefore, in Bhopal, while we have taken up production of the transformers, switch gears, capacitors and in addition to those things, we are going to produce there the generators both for hydro and for thermal power stations. With regard to Bhopal, there has been a good deal of difficulty; particularly, labour trouble last year blocked the progress. I am glad to find that there is a much better atmosphere now, much better discipline. Production is picking up. When I visited the Bhopal plant sometime during the last month and later on along with the Prime Minister, we were glad to find that the tempo of production has been going up. During March, they have reached a level of production of Rs.50 lakhs which would mean that during the year it should go to Rs. 6 crores. That is the target we have fixed for 1963-64. It should be possible of achievement. In spite of initial difficulties, we are making better progress there. Therefore, it should give us some satisfaction that this project is going into production and will be contributing to power production during the fourth plan period greatly.

One point was made by Dr. K. L. Rao whether we have tied up these things with actual implementation of projects in the various States. There is a certain amount of co-ordination and I am sure the Co-ordination Ministry, later on, will deal with this aspect also. We are trying to tie up production of these generators with the implementation of the various projects. Wherever we find it will not be possible to produce in time, we have not hesitated to import the plant from outside. Dr. K. L. Rao need not be unnecessarily exercised over Nagarjunasagar or Kothagudum. We will see that they go through. We hope he will be interested in the projects in the other States also.

For the purpose of power production—Bhopal alone would not be enough to meet our entire requirements—we have taken up three important projects apart from Bhopal. One is to be located in Hardwar in the U. P., which will be with Russian collaboration. The detailed project report is expected next month. We will try to make a quick examination. Not examination of years together; I am fixing a time limit of three months for examination of the project report. I hope it will be possible to have the examination finished generally. We shall take a quick decision and try to implement it. In addition, one at Ramachandrapuram near Hyderabad, which got into heavy weather—not only with reference to the project but I also got into heavy weather there because of propaganda which was carried on there that that project has been taken away by Mr. C. Subramaniam to Tamil Nad because I belong to Tamil Nad, rather a very unjust allegation. But, still, I had to face that. As hon. Members are aware, at Ramachandrapuram, which unit is to be put up with Czech collaboration, we had programmed production of lower capacity, 60 MW being the maximum. Our requirements have been indicated to be 100 m.w. generators above. Fortunately, the Czech technical authorities have

[Shri C. Subramaniam]

agreed for the production of 100 mw. sets there. We are hoping that we would be able to produce 100 mw. sets there as early as possible even though the initial production will have to be at lower levels. Correspondingly, the Trichi boiler plant, that is also with Czech collaboration. As a matter of fact, currently, we are discussing with the Czech authorities 4 projects: Heavy machine tool project, foundry forge project, first phase of the third expansion programme, Ramachandrapuram project and the Trichi project. These four projects we are discussing. All the technical difficulties have been removed. We are just now discussing the price. I hope, in price also, the Czech authorities would give us favourable and fair terms. If that goes through, I am hoping that the agreement would be signed before I leave the country to Bonn on the 17th. If that is not possible, within the next 1 or 2 days, I hope the agreement will be signed and the projects will be taken up for implementation.

We have got the automobile industry about which some mention was made. In that, we have given priority to commercial trucks rather than to automobile cars, and we are trying to reach the target capacity fixed for the Third plan by expanding the existing units. We are insisting that, particularly in the automobile industry, they should reach a 90 per cent indigenous content before the end of the financial year, that is, by the beginning of 1964. I am glad to inform the House that all the producers have taken active steps and they have informed me confidently that they would be able to reach the 90 per cent indigenous target within the given time. That would make it easy for the production of automobiles because, the main difficulty is foreign exchange scarcity. We are not able to import the components required when the component costs much more than we could afford for each car. That is why, when we

reach the 90 per cent indigenous target, it should be possible for us to improve the production of automobiles whether it be trucks, or car or motor-cycles or scooters....

Shri S. M. Banerjee: What about reduction in price?

Shri C. Subramaniam: That would come. But, with indigenous manufacture, I do not know whether it will be possible for us to bring down prices. My colleague the Minister of Economic Co-ordination is more competent to speak about it and I will try to take his help and try to bring down the cost.

I will have to deal with two or three general problems applicable to all industries and I shall finish in another ten minutes. First, the problem of labour. Particularly, as I already stated, during the emergency, the workers have responded wonderfully. Everywhere they have put forward their best effort to improve production and they have given their fullest cooperation. But, emotional approach alone will not do. No doubt, in the stress of an emergency, because of the emotional approach, every one of us has been affected. But, the same state of affairs should continue under normal conditions also. Then alone, it would be possible for us to make progress.

Shri S. M. Banerjee: What about joint consultative machinery?

Shri C. Subramaniam: Unfortunately, the labour problem is not so easy, particularly because we have many unions in each industry, in each unit, four or five unions competing with each other for membership. Sometimes, if they make an un-realistic promise for the purpose of enrolling membership, that is not surprising in the race for membership. But, that leads to difficulties. In spite of that, we have to face this situation and we are facing the situation. Fortunately,

we have the laws, we have got the code of discipline; we have got the tripartite agreements. If only we work all these agreements in the spirit in which they have been arrived at, in spite of the difficult situation, it might be possible for us to make progress in this sector also. But, still, as a person who was associated with the labour movement for some time, I would like to emphasise one point that, in our country, labour unions are merely taking a negative role of fighting for the rights and privileges of labour alone. But, trade unions have to contribute to increasing productivity also. Because, as it has been pointed out in the Third Plan document, it is only by increasing productivity that they would be able to get better wages and a better standard of life. Otherwise, mere increase in wages without increased productivity would lead only to increase in prices and we would be caught in a vicious circle. Therefore, I would appeal to labour leaders, while they are doing very good work for the purpose of protecting labourers from being exploited, for safeguarding their rights and privileges, at the same time, they should infuse a spirit of discipline, a spirit of disciplined work, to increase productivity. That alone would lead us on to greater prosperity, not only with reference to labour, but the entire country. I hope that, in the coming years, greater attention will be paid to this aspect of increasing productivity of labour, improving the discipline of labour, particularly in the public sector projects where the communist leaders participate, because they are the champions of public sector projects. Sometimes, I find they give the greatest trouble even in the public sector projects.

I have to make reference to the role of Financial advisers in these industrial projects. Not that we have to take an immediate decision. But, we have to take a decision as early as possible. We seem to think if we have effective financial control, we will have good financial results. It is not

220 (Ai) L.S.D.—6

necessarily that effective financial control yields the best financial results. Unfortunately, the role of Financial Advisers has not been for the good, for progress, for the benefit of industry, particularly in the public sector where they have got to function. Therefore, we have got to take a decision on this question. Particularly, in the Hindustan Steel Ltd., we have come to the conclusion that, while the Financial Adviser has got the right to advise, he is not the Financial controller and therefore, his opinion should not be the final say in the matter. I have told the general managers that wherever they have got to overrule the financial adviser they should not hesitate to overrule, and in cases where they have got to overrule the financial adviser, if they do not overrule, that is only an exhibition of their inefficiency and ineffectiveness. Therefore, hereafter, they cannot throw the blame on the financial adviser saying that they were bound down by the advice given by the financial advisers. Therefore, this has got to be taken into account in the various other public sector projects also because in many places the financial advisers' role has a crippling effect on the progress of the industry, particularly in the production side of the industry.

I have also to make some reference to the role of the Auditor-General and the audit of the public sector projects. I do not want to say much about it, but I would like to read out an extract from a recent article in *The Indian Journal of Public Administration*. I am reading it out because I seem to agree with the views expressed there, but this is a matter about which Parliament will have to consider, and ultimately decisions will have to be taken by Parliament. But if we have got to have public sector industries functioning as industrial units, then we have got to take all steps to see that we provide an atmosphere and an environment where they will function as industrial units and successful industrial units at that.

[Shri C. Subramaniam]

I am reading from the article. It says:

"It is important to note that auditors of the C.&A.G.'s office generally insist on reporting whatever does not fit within its mould of rules, regulations and procedures. Nowhere audit manuals and instructions give discretion to the audit staff to attach lesser weight to lapses of procedure or regulations if the enterprise is being administered efficiently. The auditor would argue: it is no part of his duty to pass a verdict or give a judgment about an enterprise, it is for the Public Accounts Committee or Parliament. He collects, collates and analyses facts as fully as possible and invites Parliament's attention to them. Not only that audit objections are mostly petty and formal often a presumption of *mala fides* is made simply because a particular procedure has been circumvented to meet the exigencies of a situation.

This approach is bound to do great harm to a live business organisation. Business means taking delicate decisions, some of which must go wrong. No individual in business would like to be hauled up before a parliamentary committee and explain the correctness of a decision taken years back, probably by his predecessors, in altogether different conditions and circumstances. As the C.&A.G.'s reports attract great attention from Parliament and the public, much damage could be done even by small matters. While caution and care must be exercised, there is always a point beyond which the price to be paid for excessive caution becomes disproportionately high. People and Parliament will, therefore, have to be educated to be tolerant of minor errors if an enterprise has on the whole made a success;

while being intolerant of failure to achieve the specified goals."

Therefore, these are all matters which we shall have to take into consideration, and with the background of the experience that we have, I am sure we shall be taking the proper and correct decisions which will make the public sector projects also as efficient and as successful as the other good and efficient private sector projects.

Before I conclude, I would like to pay my thanks to the officials in the Ministry and the officials in the various organisations and also to my colleagues in the Ministry for having given me their full co-operation in running the affairs of this Ministry. If there has been some success in the running of this Ministry, that has been entirely due to the kindness and co-operation which I have received from these individuals and also due to the generous treatment which I have always received from this House.

Dr. U. Misra: I raised one question regarding the fear complex due to the verification and the re-verification which are going on. That has not been answered.

I had raised also another question, namely that technical hands with an experience of fifteen to twenty years victimised by the private sector are also refused when we need technicians.

Mr. Deputy-Speaker: That is a matter of detail.

Shri Bibhuti Mishra (Motihari): I want to ask one question of the hon. Minister. Our Prime Minister has said that the *per capita* income in Bihar is the lowest in India. And there are so many big factories in Bihar run by the Central Government. I want to know the percentage of employment given to the Biharis in the factories in Bihar.

Shri C. Subramaniam: I do not hold the Member responsible for it. But

that is the general atmosphere in Bihar, and I cannot help it.

Some Hon. Members rose—

Mr. Deputy-Speaker: Order, order, This cannot be converted into a Question Hour.

Shrimati Lakshmikanthamma (Khammam): I want to ask one question.

Mr. Deputy-Speaker: I am not going to allow any further questions.

Shri P. K. Ghosh: Certain questions were raised by me in regard to the question of employment of local people . . .

Mr. Deputy-Speaker: Order, order. If I allow the hon. Member I have to allow half a dozen others also.

Shri P. K. Ghosh: I had specifically raised this question.

Mr. Deputy-Speaker: This is not the Question Hour. The hon. Member can table separate questions on the subject.

Dr. U. Misra: The question which I had raised has not been replied to.

Shrimati Lakshmikanthamma: I wanted to ask one question. He is not expanding the Praga Tools company in Andhra Pradesh. I am anxious to know about it.

An Hon. Member: He has already dealt with it.

Mr. Deputy-Speaker: I shall now put the cut motions to vote.

All the cut motions were put and negatived.

Mr. Deputy-Speaker: The question is:

"That the respective sums not exceeding the amounts shown in the fourth column of the Order 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, 1964, in respect of the Heads of Demands entered in the second column thereof against Demands Nos. 88, 89 and 138 relating to the Ministry of Steel and Heavy Industries."

The motion was adopted.

[The motions of Demands for Grants which were adopted by the Lok Sabha are reproduced below—Ed.]

DEMAND No. 88—MINISTRY OF STEEL AND HEAVY INDUSTRIES

"That a sum not exceeding Rs. 28,61,000 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, 1964, in respect of 'Ministry of Steel and Heavy Industries'."

DEMAND No. 89—OTHER REVENUE EXPENDITURE OF THE MINISTRY OF STEEL AND HEAVY INDUSTRIES

"That a sum not exceeding Rs. 28,33,64,000 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, 1964, in respect of 'Other Revenue Expenditure of the Ministry of Steel and Heavy Industries'."

DEMAND No. 138—CAPITAL OUTLAY OF THE MINISTRY OF STEEL AND HEAVY INDUSTRIES

"That a sum not exceeding Rs. 1,31,03,62,000 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, 1964, in respect of 'Capital Outlay of the Ministry of Steel and Heavy Industries'."