

representatives of the Delhi State Teachers' Association

(vi) The revision of the rate of Provident Fund Contribution and the implementation of the Triple Benefit Scheme, are being looked into by the committee on private aided schools. Any ad hoc decisions cannot be taken in view of the repercussions of such decisions on other categories of Government employees.

(vii) With regard to free medical treatment to non-Government school teachers, the local Administration have set up a committee which is looking into this question.

(viii) The question of providing free school education to the children of teachers is under the consideration of the Delhi Administration.

(ix) The circular letter regarding the participation in politics of aided school teachers was withdrawn some time ago and the teachers' representatives have been informed about it.

(x) Regarding the request of teachers for being represented on local bodies, the teachers' representatives were informed that they should take up the matter with the Local Bodies concerned.

(xi) As regards the request for scholarships to teachers' children, the matter is under consideration by the Delhi Administration.

(xii) Some of the teachers in local bodies' schools, who had already been retired as a result of the orders issued by the Directorate of Education in November, 1956 were recalled to duty and the orders were rescinded retrospectively.

It must be admitted that there has been considerable delay on the part of the local administration in passing final orders in some of the cases. This is partly due to the complicated nature of the cases requiring careful

examination by the Ministry of Finance and consultation with other concerned agencies and partly to slowness of the procedure on the part of the Delhi Administration, which has been directed in clear terms to gear up its administrative machinery to deal with these issues promptly. At the same time it is necessary to make it clear that it is improper on the part of the teachers to formulate demands and then to threaten to go on strike if all or some of them cannot be accepted for administrative or financial reasons. Moreover, teachers in Government service who threaten to strike are liable to disciplinary action under Government Servants' Conduct Rules. It has been explained to the representatives of the Association that Government deprecates such threats to resort to strikes, when the various demands made by them have been and are being looked into sympathetically by Government. The Ministry of Education have done all that is feasible to ensure that proper treatment is meted out to teachers. They have adopted several measures to improve the efficiency, social status and general welfare of all teachers; they have undertaken schemes for the revision of teachers' salaries all over the country—the terms and conditions of the Delhi teachers are on the whole better than those in other States. Government would like to convey to them the assurance that their interests and welfare will always be looked after with solicitude, but Government expect in return a similar attitude of reasonableness and co-operation from all the teachers, whether in Government or private service.

*DEMANDS FOR GRANTS—contd.

MINISTRY OF STEEL, MINES AND FUEL.

Mr. Speaker: The House will now take up discussion of Demands for Grants Nos. 78, 79, 80, 81 and 136

*Moved with the recommendation of the President

[Mr. Speaker]

relating to the Ministry of Steel, Mines and Fuel. As the House is aware, 5 hours have been allotted for the Demands of this Ministry.

There are a number of cut motions to these Demands. Hon. Members may hand over at the Table within 15 minutes, the numbers of the selected cut motions which they propose to move. I shall treat them as moved, if the Members in whose names those cut motions stand are present in the House and the motions are otherwise in order.

The time-limit for speeches will, as usual, be 15 minutes for the Members including movers of cut motions, and 20 to 30 minutes if necessary, for leaders of Groups.

I will call upon the Minister of Steel, Mines and Fuel to reply to the debate.

May I know how long the Minister will take for his reply?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): My colleague, the Minister of Mines and Oil will require half an hour and I will take about 45 minutes.

Mr. Speaker: So, between them they will take an hour and a quarter. So, I will call upon them at 16.15 hours after which the Cut Motions will be disposed of and the Demands put to vote. If one of them wants to intervene earlier I shall give him an opportunity at that time.

**DEMAND No. 78—MINISTRY OF STEEL,
MINES AND FUEL**

Mr. Speaker: Motion moved:

“That a sum not exceeding Rs. 31,15,000 including the sums already voted on account for the relevant services be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1958, in res-

pect of ‘Ministry of Steel, Mines and Fuel’”.

DEMAND No. 79—MINES

Mr. Speaker: Motion moved:

“That a sum not exceeding Rs. 28,37,000 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, 1958, in respect of ‘Mines’”.

**DEMAND No. 80—EXPLORATION OF OIL
AND NATURAL GAS**

Mr. Speaker: Motion moved:

“That a sum not exceeding Rs. 1,50,31,000 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, 1958, in respect of ‘Exploration of Oil and Natural Gas’”.

**DEMAND No. 81—MISCELLANEOUS
DEPARTMENTS AND OTHER EXPENDI-
TURE UNDER THE MINISTRY OF STEEL,
MINES AND FUEL**

Mr. Speaker: Motion moved:

“That a sum not exceeding Rs. 55,96,93,000 including the sums already voted on account for the relevant services be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1958, in respect of ‘Miscellaneous Departments and Other Expenditure under the Ministry of Steel, Mines and Fuel’”.

**DEMAND No. 126—CAPITAL OUTLAY OF
THE MINISTRY OF STEEL, MINES AND
FUEL**

Mr. Speaker: Motion moved:

“That a sum not exceeding Rs. 1,68,65,24,000 including the sums already voted on account for

the relevant services be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1958, in respect of 'Capital Outlay of the Ministry of Steel, Mines and Fuel' "

Shri T. B. Vittal Rao (Khammam)
Mr Speaker, Sir, when we discuss the Demands for Grants relating to the Ministry of Steel, Mines and Fuel, we are really discussing the core of the Plan, and when we discuss about the progress that this Ministry has made we are discussing really the economic development of our country. Keeping this in view let us examine the various projects undertaken by this Ministry and the various departments under this Ministry.

I first want to take up coal and coal production which is very important for the industrial development of our country. We have laid down in the Second Plan that we should raise 60 million tons by 1961—the various annual targets for this period have not yet been worked out. In 1955 the production of coal was 38.2 million tons, and during the period 1956-57, that is the first year of the Second Plan it was only 39.4 million tons. Out of this increase of 1.2 million tons, one million tons were from the private sector and 0.2 million tons from the public sector. In the Plan we have allotted 12 million tons in the public sector and 10 million tons in the private sector. Judging by this, our progress is rather very unsatisfactory, it is not only unsatisfactory, we are really undertaking a great risk, because if we are not going to achieve the targets laid under the Second Plan I am afraid our whole Plan is not likely to be successful.

In the Plan various targets have been fixed for various coal mines. For instance, the Korba coal fields in Madhya Pradesh has allotted 4 million tons by 1961. Only a few days back in reply to a question I was told that we are touching coal in one of

the open cast mine. I do not know when the three under-ground mines will go into full production or full swing. If in the year 1957 we are just touching coal in Korba coal fields, which have been allotted 4 million tons by 1961, I am afraid we will not be able to reach the target. Similarly, it has been stated that Bisrampur collieries have been allotted an additional 3 million tons. I do not know when the work on these particular mines will start.

Then I come to Singareni collieries which have been asked to double their output during the Second Plan period. Here the output during the First Plan period was 1.5 million tons a year and it has to be increased to 3 million tons by 1961. Financial assistance to the tune of Rs 6 crores has been allotted to this particular colliery. But, what has happened? During the first year of the Plan that is 1956-57, not a single pie was granted. I do not know what is the provision made for 1957-58. I am told that only Rs 10 lakhs have been given to it as against the State Government's request for Rs 60 lakhs to Rs 75 lakhs. If the rate of progress has to be maintained, if we are really serious about achieving the targets, instead of discussing with the management or the State Government whether the Centre should send one director or two directors or whether the Centre should participate in the capital—these discussions should go on, but why withhold the financial assistance when you have laid down that it should produce an additional 1.5 million tons—we should straightaway give the financial assistance. If you withhold the financial assistance it will retard the progress, because if a mine wants to produce some additional coal it will have to undertake a plan three years before-hand, and all the machinery etc will have to be indented three years in advance. For coal mining machinery we are very much dependent on foreign countries. Even small things like drills we have to

[Shri T B Vittal Rao]

import Therefore, unless and until prompt action is taken, I am afraid these 12 million additional tons of coal cannot be had In the private sector we are told that they have produced an additional one million tons during 1956 I am afraid whether the private sector will keep to the target of 10 million additional tons during the Second Plan period, because the way these mines are worked is not good For instance, during the last one year, small and medium mines have been closed down For example, the Mandalpur colliery, the Singarem colliery and the Bhurra Dhem colliery in West Bengal have been closed down The Rajeur colliery in Madhya Pradesh has been closed I am told the reason for the closure of some of these coal-mines is that the Chief Inspector of Mines asked them to undertake some safety measures but that entailed some expenditure and so they have closed down the mines

So many things are pointed out about the policy in regard to the mines, like transport bottlenecks and the rest But I fail to understand why, while there is a demand in this country which is more than the actual production, there should be no proper planning for the transport of coal

There has been a committee appointed with regard to the amalgamation of collieries This committee, after going through the coal-fields in Bihar and Bengal, submitted a report nine months ago They made several recommendations The committee urged on the Government that they should immediately undertake the study of this question of amalgamation of small collieries which today are 660 in number out of the total of about 900 collieries in the country This committee dealt with, very exhaustively the various aspects of the coal industry, and they have

urged upon the Government that the Government should take action quickly on the report Not only that, I have not seen any report so far with the Government of India wherein a time schedule has been worked out a regular time-table given that by such and such date legislation should be undertaken A time-table has been worked out in this report saying that by such and such a time the collieries should be amalgamated voluntarily and if not, what action should be taken in that regard A proper time-table has been worked out and given to the Government But though the report was submitted a little more than nine months ago the Government are still examining the report I do not know when they are going to finalise their conclusions Even in the report, they have categorically stated that action is urgently called for Otherwise, they said these mines under the private sector will work in such a way which will make it very difficult for progress ahead in a planned way when we take them over

Then I come to lignite mining in Neyveli The working of these mines, I am afraid is rather very slow The various estimates and other things given to us in the various reports make us feel that the Government has undertaken this working not in a proper way i.e. after a careful scrutiny For instance, during the meeting of the consultative committee, we were told that the cost per ton of lignite raised in these mines would be Rs 6-8-0 to Rs 7 But in the annual report of the Ministry suddenly this figure goes up to Rs 8 per ton This is a very serious proposition How is that that within a course of a few months there is an increase of Rs 1-8-0 per ton?

When I find the investment on these mines, I find that the capital works out at the rate of Rs 50 a ton, as against Rs 30 to Rs 40 a ton for

working a new virgin coal-field. Again, the thermal value of lignite is at the rate of 2½ tons, which is equal to the thermal value of one ton of coal. Therefore, when we work out these figures, it will amount to something like two and a half times the thermal value of lignite, that is to say, if we had invested in coal such a large amount which we have now invested on lignite, we would have got m coal two and a half times more in thermal value than through lignite. Therefore, I would very strongly urge upon the Ministry to see how this amount of Rs 16 crores has been arrived at. Otherwise, the working of lignite will not be an economic proposition at all. If we have to pay Rs 8 a ton, it will work out to Rs 20 m terms of thermal value. Our resources in coal are very huge. Why we have to go in for lignite in that case? Because, we were getting it a little cheaper, we have undertaken this lignite project. Otherwise there are many coal-fields in India. Our deposits are very huge. We are told that in Bihar area itself our coal deposits run to some 16,000 million tons and that in the Bengal area, according to the estimates recently made, 11,000 million tons are available. Similarly, nearabout Madras and in South India, near the Singareni collieries we have got huge deposits of coal. We have got a coal-bearing area which runs to the tune of 800 sq miles there. Keeping all this in view, I would like the Minister to see whether the estimate that has been prepared for this project, namely, Rs 16 crores, for raising three million tons by 1961 is in order.

Not only that. On the basis of raising this cheap lignite, we have also undertaken to instal a fertiliser plant. Therefore, any extra expenditure or any increase in the cost of production of lignite at Neyveli will greatly upset our Plan for the production of fertilisers.

Then I come to the training of the supervisors' cadre. We were told that four training centres will be set up during the Plan period. I have

seen in the report that four centres are already being set up in Talcher, Kurasia, Giridih and other places. Some more ought to be established during the Plan period. One of the training centres was to be sanctioned in Andhra Pradesh. It was proposed to be set up near the coal-mines there. But though one and a half years have passed, there is no trace of that yet. I am told that Rs 60,000 have been granted by the Centre for starting this training centre. I do not know what work the State Government has undertaken. There is nothing. Only two weeks ago, one of the Executive Engineers has come and visited the site where it has to be located. According to one estimate, it is said that during the Plan period we need nearly 5,000 supervisors if we have to work our mines in a planned and efficient way. But even in these training centres, as the figures show, some 400 people are going to be taken. They are not going to be sufficient. Therefore, I would urge upon the Ministry to hasten the setting up of this institution.

Various committees have recommended the nationalisation of coal mines. Government, however, have decided not to nationalise the coal mines during the Plan period. I would request them to nationalise at least the mines raising metallurgical coal. We have got very insufficient deposits of metallurgical coal as compared to the other coal deposits. Metallurgical coal is very essential for our steel plants. Until and unless we properly plan out the raising of this coal, our steel plants will suffer. We have got abundant supply of coal from Bokaro collieries, but there are so many coal mines in the private sector which raise metallurgical coal, which is very essential for our steel plants. Not only that, this metallurgical coal is being utilised by the railways. We have decided during the first Plan period itself to reduce it to a very great extent, but we could not do that. There was a reduction of about 50,000 tons only. But during this Plan period at least, we

[Shri T. B. Vittal Rao]

should not sell completely metallurgical coal to the railways; we must put a stop to this. Otherwise, we are thinking of not only three steel plants, but fourth and fifth plants also, when we will require huge quantities of metallurgical coal. For the proper and safe working of these mines, it is very essential that the Government should take up the nationalisation of at least metallurgical coal, because they are committed not to nationalise the other coal mines

This is the picture that emerges. When we see certain papers written about planning and other things, we find that we are going to raise about 120 million tons in the third Plan and 200 million tons in the fourth Plan. Considering the natural resources in our country, these figures are not very much; compared to the production that is raised in the leading coal raising countries, these figures are not much. But we find that the Government are not very serious about these things. We can easily increase the raising of coal from 60 million tons to 70 million tons even during the plan period.

Coming to the conditions of workers in these coal mines, even in the public sector, the conditions are rather deplorable. When we raise the question of wages or salaries of the workers, Government tell us that they are going to provide amenities, but not increase the salaries, because it would lead to inflation. But here in the public sector, there are nearly 60 to 70 per cent. of the workers who live in places which are unfit for human habitation. I do not know if our Minister had ever visited the coal mines in Bokaro and Giridih. It is a heart-rending sight and it is most deplorable. So, they should undertake the construction of good quarters in the public sector.

It was planned to have 2,000 quarters in 1957-58 in the public sector, but I do not know how many are

likely to be constructed, because in 1956-57, out of 600 quarters planned, I am afraid not even 400 were constructed and let out. Even water supply is not adequate in the Bokaro collieries, where nearly 5,000 to 6,000 workers live. They wanted a centralised water-supply system. I do not know at what stage that programme is. After the setting up of the washing plan, this area is going to be a very important area and the Government should hasten the construction of quarters and the water-supply system in this area.

There has been an upward revision of the price of coal twice. First of all the price was increased following the Industrial Tribunal award. When that was done, we were told that the Government had examined the cost structure and they have given that increase. After that, Labour Appellate Tribunal award came. In that award, it was clearly laid down that this increase that has been granted in 1956 is sufficient to cover the extra expenditure on account of the implementation of the Labour Appellate Tribunal award, but the Government have increased it by Rs 1-8-0 per ton and appointed a committee twice to go into the cost structure. In the first instance they said, after going through the award and the consequent increase in the cost of production, they have given the increase in the statutory price of coal. Now another committee has been appointed and another increase of Rs. 1-8-0. If one goes through the Labour Appellate Tribunal's award, it was clearly stated that the extra earning is the bonus that he is going to get. In the lower tribunal, bonus formed part of the wages, but in the Labour Appellate Tribunal, they have removed bonus as part of the wages, because they have said that nearly 50 per cent. of the workers in the coal mines do not get it. So, these increases should not have been resorted to. Even if they have been resorted to, they could have awaited the report of the price revision committee and then made that revision.

Even this retrospective effect of this implementation of the Tribunal award is going to take 27 months. Within three or four months, the report could have been got and Government could have taken a decision on that.

We produce the cheapest coal in the world, but we do not use this coal either economically or efficiently. Several papers have been written by the Director of Fuel Research Institute, Dr. Lahiri, that this coal should be utilised very efficiently. Unless and until commercial use is being made of the researches conducted in the Fuel Research Institute, Dhanbad, I am afraid we will not advance very much

I have several points to touch about manganese and iron ores, but I will confine myself to the recent closure of a manganese mine in the Garivadi mines. Manganese is one of the chief sources of earning foreign exchange and we have got a good quantity of manganese ore in our country. But, what do we find? Recently, the manganese mines in the Vizianagram district and Srikakulam district have been closed. I am given to understand that the Andhra Pradesh Government has ordered the closure of these mines. Ten thousand workers who were employed in these mines have been thrown out of employment. There is a large scope for expanding these mines and increasing production. They have been exploited in the private sector in a very haphazard way. If we want these to be properly exploited in a planned way, I would like these mines to be nationalised immediately in view of the several difficulties that we are undergoing in regard to foreign exchange and in regard to supply of manganese ore to our steel plants. It was said that some iron ore mines will be undertaken in the public sector. So far, I have not seen any mine being worked in the public sector. I understand some American experts have given a project report. I do not know when they will be implemented.

Finally, I would urge upon the Government to improve the conditions of the workers. The Labour Appellate Tribunal has said that the condition of the workers working in the coal mines has to be improved considerably. The Committee on the amalgamation of small collieries has reported that the condition of the workers in the coal mines is very deplorable and that every effort should be made to improve their condition. Several Committees have reported similarly. I would strongly urge upon the Government that they should see that the condition of these workers engaged in the most basic and key industry is improved.

Shri Viswanatha Reddy (Rajampet) Mr Speaker, I quite agree with my hon friend Shri T. B. Vittal Rao that this Ministry should provide the core of the Plan. The subjects with which this Ministry concerns itself are so vital to the development of our country and so very extensive that we might be justified to think that this Ministry will have to provide the smews for a sound foundation which will result in rapid industrialisation of this country. Therefore, I will confine my submissions to only one aspect of the activities of this Ministry and that is, oil, production, refinement and distribution of oil.

As the House is well aware, oil has played a very important role in the economic history of various countries. It has been said that America rode to prosperity on a wave of oil. The significance of this statement is well known to the House because America today commands a large reserve of oil not only internally, but also it has got a command of the various oil fields all over the world. We have witnessed up to this date political imperialism reigning supreme in this world. Today, oil imperialism has taken its place. When we consider the happenings in the Middle East, this conclusion is irresistible. Therefore, it is quite imperative that we in our country should develop oil resources as fast as and in as large a measure and as quickly as possible.

[Shri Viswanatha Reddy]

Till 1953, our efforts in the direction of oil exploration were almost negligible. It is only in 1953 that Government entered into an agreement with Stanvac for oil exploration in the West Bengal area. It has taken four years for this project to yield results. We are told that in April last well boring has been started with a view to strike oil. I hope very soon we might strike a good load of oil in the West Bengal area. Up to 1953, only the Assam Oil Co. in our country did discover a small deposit in Digboi and other areas of Assam. At present, our production is 12 per cent. of our consumption of oil. Our consumption of oil is increasing very fast. It is only natural that it should increase because of the industrialisation and consequential increase in the transport requirements of the country. In aviation and in several other directions, our consumption of oil is increasing. Therefore, it is of very great importance that we place a great deal of emphasis on the exploration of oil.

In the world today, apart from the western countries and Soviet Russia and some of the Eastern European countries, only very few countries have the know-how, not only for the exploration of oil, but also for the refinement of oil. It is really gratifying that although we have started our scheme of exploration only in 1953, and from 1955 at a governmental or a purely national level, we have advanced very far indeed. We have our young and enthusiastic technicians and with the encouragement and considerable amount of support given by the hon. Minister Shri K. D. Malaviya, we have achieved considerable results. We have today in our possession the know-how for exploring and drilling of oil. Very soon we are going to establish a refinery which will give us the know-how for the refinement of oil. That means, after we do that, we will know the A to Z of this business of oil. Very few countries in the world can boast of this achievement. Therefore, I submit to the House that I have got unreserved appreciation of the acti-

vities of the Oil and Natural Gas Division.

We have been consulting several foreign experts with regard to the possible areas where we should look for oil in our country. The Canadians have given us a report. The U.S.S.R. has given a brief report. The Germans have given us reports. Most of these reports corroborate each other and confirm the conclusions reached by each one of these countries. According to these reports, we have to look for oil in eleven distinct areas in our country. Out of the eleven, the most important are Punjab, Jwalamukhi area in the Punjab, the Jaisalmer area in Rajasthan, the Gangetic plains in the U.P. and of course, West Bengal and Assam. The next priority will be Cambay, Kathiawar and Kutch region in Saurashtra. We have to examine the activities of the Oil and Natural Gas Division with particular reference to these three important areas that are to be found in the Punjab, Rajasthan and the U.P.

Oil seepage in Jwalamukhi area has been discovered recently. That has given an indication to the Oil and Natural Gas Division to look to these regions more carefully. They have conducted all sorts of surveys; geological, geophysical, seismic, gravity and other surveys have been conducted in that area with the result that drilling operations have started with very good hope of striking oil in a matter of months. I am told that in this particular region, oil can be struck at a comparatively smaller depth than it obtains in several other regions in the world. I hope that this discovery of oil in Jwalamukhi area would open up a large area for actual drilling and we would be able to get a large proportion of our needs of oil in our country.

13 hrs.

We are today spending nearly Rs. 65 crores annually on the import of oil. Now this expenditure is bound to increase from year to year. That cannot be doubted; it need not be proved

at all; it is axiomatic. I have one small doubt with regard to the programme that has been drawn up by the Oil and Natural Gas Division during the next five year period. In the beginning when the Russian experts submitted their report it was suggested that the Jaisalmer area should be given top priority in the matter of exploration of oil. Now I find that the emphasis has shifted to the Gangetic region. I do not know if this shift in emphasis is based on sound reasoning and sound and adequate data available in this region. From all the reports that I have been able to lay my hands on, I find that the only point in favour of the Gangetic plain is the physical resemblance of this region to regions like the Urals, the Alps and the Rockies. Beyond that the substantial geological reports or the data available after thorough investigation do not afford any basis for the shift in emphasis.

In the Jaisalmer area on the other hand a considerable amount of data has been gathered and the Soviet experts have submitted another report. Incidentally I may mention that this report unlike several other reports which are full of verbiage and picturesque descriptions, is very business like. It places before us our immediate task, our organisation, the financial implications and the way in which we have to train our technical personnel. It is absolutely business like and I really think that Government should pay much more attention to this report than it has so far done.

The Jaisalmer area is a desert. I had been reading a few months back certain reports about the discovery of oil under similar circumstances in Sahara by the French experts. The French people seem to have specialised in the exploration of oil in desert areas. It created rather a sensation a few months ago when this discovery was announced. I would submit to the hon. Minister that it is worthwhile for us to contact those experts in France and see if it is not possible for us to persuade them to investigate further the Jaisalmer area. I have

got a feeling that this area is very rich in oil resources and if we proceed on the right lines the whole of the desert area might be dotted with derricks marking the location of new oil finds. I would therefore humbly suggest that the French experts should be brought over there and given a chance to advise us on the possibility of striking oil in this area.

The Gangetic plain is admittedly covered by a thick layer of alluvium and therefore it was not possible for our geologists to make a thorough investigation. This is also an area which does require considerable amount of study and I hope the Government, the Oil and Natural Gas Division, will not hazard drilling operations without having assured itself of the possibility of striking oil.

I was reading the Soviet team's report in detail and in that report they have mentioned the setting up of large number of geological parties, geophysical parties, seismic parties, gravity parties, and so on. From the actual reports of the activities of the Ministry and the plan that they have drawn up for the next five years it is seen that the recommendations have been very much watered down and diluted. That is, the number of parties that are recommended to be set up during the five year period has been drastically cut down and even the financial allotment for the exploration of oil which has been recommended should be of the order of Rs. 30 crores during the next five year period has been cut down to Rs. 11 crores. That means it is hardly possible for us even to touch the fringe of this problem of oil exploration with this rather meagre allotment of funds. I would, therefore, suggest that this Ministry should leave no stone unturned and spare no efforts to see that the whole allotment of Rs. 30 crores is given for this very important and vital aspect of our economic activity. I would request the hon. Minister to explain to the House a doubt which I have entertained and I suppose several hon. Members of this House also have.

[Shri Viswanatha Reddy]

I have a feeling that in this matter of setting up of survey groups, survey parties, it is not possible to drastically cut them down. There is a marginal limit for cutting down the number of survey parties, gravimetric, seismic or geological or geophysical parties. There must be a marginal limit. Otherwise the work will be held up in every one of the regions which might be objects of enquiry or exploration by the Oil and Natural Gas Division. I would like to be assured by the hon. Minister that this drastic cutting down of the technical organisation does not impair our capacity to investigate and explore oil for which high priority has been given.

Now I would like to refer to the synthetic oil project about which considerable interest was evinced in this House sometime back. It has been said that three foreign firms have submitted project reports with regard to the synthetic oil plant of a capacity of three lakh tons of aviation spirit per annum. I am told that the synthetic oil thus produced would be 50 per cent. higher in cost than natural mineral oil. Even granting that it is 50 per cent. higher than the natural oil I would suggest that this scheme should be pursued with vigour because during the time of emergency to have with us an assurance of availability of three lakhs tons of aviation spirit is certainly a great advantage to us and a matter of 50 per cent. increase in the cost of aviation spirit should not normally bother us very much. I would, therefore, like to know from the hon. Minister whether this scheme is being pursued with as much interest and vigour as it was originally planned or is it going to be allowed to lapse as several other projects.

Now I would like to make a reference to the refinery that we are thinking of setting up as a national venture without any partnership from any of the oil companies. As I have already stated, this provides an opportunity to

know more about the refining process of oil and the knowledge itself is really worthwhile for all of us. If we look back a few years we cannot but realise the great difficulties that were faced by the Iran Government in regard to the Abadan Oil Refinery. They were driven from pillar to post and from country to country and finally had to surrender to the terms and conditions offered by the British oil interests. We should not be in the same position. We must have the know-how to refine oil in our own country. Our technicians should endeavour in that respect and we should encourage their endeavour.

There is a certain amount of politics behind the establishment of this refinery. I would certainly not like to enter into the controversial aspect of the setting up of this refinery. But from all the reports that I have been able to get I find that most of the refineries in the world are situated as near as possible to the consuming centre. Crude oil is produced and pumped through pipelines to the refineries which are, as far as possible, situated near the consuming centres. Unless the refineries are situated near the consuming centres the refined products coming out of the refineries may not be economical and competitive with the products produced by the oil companies. Therefore, if our endeavour is to see that the products of our refineries should have competitive value as compared to the products of the oil companies, we should see that our refinery is set up near the consuming centre. I cannot submit more than this with regard to this refinery. But I would make a suggestion to the hon. Minister. If it is possible to send through the pipe line, which is bound to be laid between the producing centre and the location of the refinery, the finished products, as it is being done in the Middle East and some other countries, I would like the hon. Minister to examine the possibility very carefully. If it is possible to

send motor spirit, aviation spirit, kerosene, light diesel oil and so on through pipe line simultaneously in batches, then there is absolutely no harm, I think, even if the refinery is located at the producing centre. I would like the hon Minister to examine this position very carefully. Incidentally this will satisfy the demand that the refinery should be located in Assam. Of course, if it is in the national interest and if in spite of all these examinations it is not possible from a purely economic point of view to locate it in Assam, certainly our friends from Assam should be satisfied with that.

With these words I support the demands for this Ministry

13.14 hrs

[SHRI C R PATTABHI RAMAN in the Chair]

Shri T Subramanyam (Bellary): I will confine myself mainly to iron and steel. I accord my full support to the demands of this Ministry.

In the context of modern civilization the material greatness of a country is measured in terms of the production of its iron and steel. You want iron and steel for everything; for buildings, for railways, shipping, aeroplanes, automobiles, industrial undertakings, big and small machinery, for all these we require iron and steel. In the agricultural sector also we require iron and steel for agricultural implements. Therefore, the base for modern industrial civilization is mainly the production of iron and steel.

It would be interesting to examine where our position in the world of the production of iron and steel. In 1950 the total world production of iron and steel was 185,166,000 out of which U.S.A. produced 86,352,000 tons, U.S.S.R produced 26,870,000 tons and U.K. 16,569,000 tons. In the same year the per capita production came to 628 lbs. in U.K. and 1,237 lbs. in U.S.A. In India it was only 12 lbs per capita. I am not making it a matter of complaint because it is the

legacy that has been left to us, for the British people left us a very sorry tale of development in this respect and we had practically to start from the scratch. But luckily in our country we have infinite potentialities with regard to the production of iron and steel, with regard to the availability of raw materials. We have got iron ore of very rich and precious variety in almost limitless quantities in various parts of India. Then we have got manganese, coking coal and other necessary material for the production of iron and steel. Then there is another additional factor and that is the long tradition of smelting which goes to the remote past. In every State, in almost every district you will find signs of smelting iron. I have got it in my own district. Then we have got eloquent testimony in Delhi itself. Near Qutab Minar we have got an iron pillar which must have been smelted in the early centuries. To this day it has stood rusting and corrosion and it is a marvellous piece of work. Even today it is being appreciated. This is the present story.

In South India some attempts were made to start production of iron and steel in the last century. They all failed. But afterwards in Bengal in 1875 an attempt was made and that was successful. Later that company came to be known as the Indian Iron and Steel Company. That was in 1937. Tatas started in 1907. Today it is the largest integrated steel manufacturing plant in the Commonwealth and it is the largest single unit. The Mysore Steel Works in Bhadravathi was started in 1918. In 1936 a steel plant and a steel rolling mill were added and then the capacity was 25,000 to 30,000 tons per annum.

The industry enjoyed protection for a long time. This protection lasted from 1924 to 1947, when it was decided to discontinue it. In 1916 our production of iron and steel was about 99,000 tons. Then it went on increasing up to 1944 when it reached 11,32,030 tons. Then after the war

[Shri T. Subramanyam]

period it declined and in 1946 it came down to 8,90,383 tons. In 1952 while our deficit was of two million tons we produced only 1.1 million tons. Our requirement at the end of the Second Plan period is supposed to be six million tons of steel ingots or about 4.5 million tons of finished steel. This is proposed to be made up by helping the private sector and also by the new steel plants that are being constructed in the public sector. Tatas would double their output to about two million tons. The Indian Iron and Steel Company would contribute about .9 million tons. The Mysore plant would contribute about one lakh tons and the rest of it, that is, 3 million tons would be made up by the public sector, 1 million tons by the Bhilai plant, 1 million tons by the Durgapur plant, and 1 million tons by the Rourkela plant. But we have to face the actual realities. While the estimated cost is one thing, the revised estimates for these steel plants have gone up enormously. The present estimates for Rourkela, on the basis of contracts entered into, are to the tune of Rs. 170 crores, while for Durgapur, the estimated figure at present is about Rs. 138 crores; the figure for the Bhilai plant has not yet been received, and probably, when it is received, it will be found that it will also be of the order of Rs. 138 crores.

During the current year, the budgeted amount for Rourkela is about Rs. 60 crores, that for Durgapur is Rs. 33 crores, and that for Bhilai is Rs. 63 crores. It will be found that when completed, these three plants will effect an annual saving of nearly Rs. 200 crores in foreign exchange, which is a very valuable thing. Now that we are all complaining of the shortage of foreign exchange, this will have a very significant effect on our industrial development.

It will also be found that our steel would be cheaper, because it is expected to sell at Rs. 400 per ton, while the foreign steel is expected to sell at about Rs. 600 per ton.

It is also contemplated to start a fourth steel plant, a fifth steel plant, and so on. In this context, I would like to say that a balanced regional development is necessary for the progress of our country. All these steel plants, for one reason or another—and some of the reasons may be very good and very valid—are all located in particular areas. I strongly urge that in South India also, you must start these iron and steel plants, and these basic industries.

I may say that in South India, we have got iron ore of good variety in several places like Bellary, Salem and so on. So far as the Bellary ore is concerned, I know about it very well, and, therefore, I must give a little more detail about it. The iron ore in Bellary district, and particularly, in Sandur, is of the best variety in the world. Recently, one Russian expert, by name Mr. Lorov, has said that the Sandur deposits are of the richest variety in the world. And we have got this in very huge quantities. Therefore, I suggest that some basic industries should be started there.

Then, we have also got the Neiveli lignite. When I asked friends on several occasions that a basic industry should be started there, they said, we want coal, we want electricity, we want this, that and the other. That is all true. I do not say that you can start this industry immediately. But still we must have in mind balanced regional development. That is of the utmost importance in the present context. Otherwise, it will lead to a lot of dissatisfaction in several quarters, and legitimately too.

So far as the Neiveli project is concerned, the integrated plan arrangement will cost about Rs. 78.8 crores, and it is expected to produce about 3.5 million tons of lignite. Beside this coal available from other areas could also be procured for the purpose of starting the basic industry.

Then, there is the Honnemaradu project, to generate electricity, in Mysore. That is expected to produce a large quantity of electricity at a very cheap rate, and I suppose, that would perhaps be the cheapest rate in India, and for industrial undertakings, that would be of very great value. I suggest that all these factors should be taken advantage of fully, and a pig iron plant may be started in Bellary district.

I also learn that some Russian experts are said to be of the opinion that relatively smaller units are possible in modern times. So, I would request the Minister to have an investigation into this matter and examine the possibility of the starting of this industry there.

There is also the possibility of starting a ferro-manganese plant. Besides iron ore of a very rich variety we have also got good manganese ore in this area. So, I suggest that a ferro-manganese plant can be started. Government can start it. Otherwise, private agencies are also willing to start it, and if they start it, I would urge Government to give them every possible assistance in this behalf.

With these words, I accord my full support to the Demand for Grants relating to this Ministry.

Shri P. K. Deo (Kalahandi): Mr. Chairman, Sir, I think it would not be proper to pass the Demands of this Ministry without recording our protest on the working of the Hindustan Steel (Private) Limited, at Rourkela. Though it is estimated that the deficit of about 45 million tons of steel will be made up by the end of Second Five Year Plan, yet from the progress report of this company, we find that no time-limit has been fixed for the production of steel from this factory.

At page 15 of the booklet, "Iron and Steel" published by the Government publications division mention has been made that within the next four years, the plant at Rourkela is expect-

ed to be erected and to start production. That means by about 1961 or 1962, the plant will start production. But in the case of the Bhilai plant, although the construction has started very much after that in Rourkela, they are going to produce steel by the end of 1958. So, much progress has been made in the Bhilai plant, but not so in the Rourkela plant. I would request the Minister to look into this matter and to satisfy this House as to why this delay has been there, so far as the production at Rourkela is concerned.

Coming to the matter of recruitment for various posts in the Hindustan Steel (Private) Limited, though this concern is a national enterprise, still equity demands that the local people should be given preference in the matter of employment, especially the displaced persons, who have been displaced from their lands and from their villages, because of the construction of this steel plant. In this connection, though the local people are told by every quarter that the company is following a policy of giving appointments to the local people in preference to outsiders, provided they are equal in all respect, yet in practice we find just the opposite.

The usual recruitment procedure is not being followed. In 1955, we find that there were hundred trade apprentices appointed through the local employment exchange, but in 1956, we find that 300 such appointments were made from various centres of India without any reference to the local employment exchange. Mr. Davenport, the Director of Employment Exchanges, has submitted a report regarding the appointment policy of this company at Rourkela and has suggested that all the class III and class IV posts should be filled up from among the local applicants. In practice, however, I find that the local people have not been given preference, but personnel have been recruited directly from outside for these class III and class IV posts.

[Shri P. K. Deo]

Lately, there have been many lightning strikes in the Stores Department and in the Public Health Department of this company. Though the grievances of the labourers are reported to be genuine, I do not think the management has properly looked into their grievances. On the other hand, we learn that there were lathi charges by the police on the peaceful demonstration of the employees. If such things happen and if such treatment is meted out to the employees in State-owned enterprises, what example shall we be setting to the employers in the private sector?

Coming to the working of the various schools under the management of the Hindustan Steel Company, it is noticed that the local regional language is not taught in those schools. Though many local people are engaged and their children are studying in the local schools, there is no facility to teach them in the regional language.

Coming to the working of the various manganese mines in Barbil area in Orissa, I would submit that the living conditions of the labourers are far from satisfactory. There are regular strikes, and police firing is a very common thing. When complaints about water scarcity are made to the authorities, no action is taken.

I take this opportunity to bring to the notice of the House that sometime back negotiations were going on between a Japanese firm and the Orissa Government for the export of manganese and iron ores. In return, the Japanese firm promised to build the Paradip port and to lay a railway line from the mine area to the port. But the Central Government stood in the way. I think the proposal is maturing to the disadvantage of Orissa.

It is learnt that for the export of two million tons of iron ore to Japan, the Government of India is going to receive financial aid from the US President's development fund for South East Asia. They are proposing

to have some new berths in the Visakhapatnam port out of the fund. By that deal, Orissa would be losing a port and also a railway line.

Though the demand for the development of the Paradip port would have been relevant in connection with the Demands of the Ministry of Transport and Communications, still I would like to bring to the notice of the House that to relieve the transport bottleneck in the busy port of Calcutta, the Paradip port should be developed so that an outlet would be provided for the manganese and iron ores by the export of which we would be able to earn so much foreign exchange.

Regarding the location of the oil refinery in Assam, I associate myself with the sentiments expressed by my friends on the other side. For all purposes, an oil refinery in Assam is an ideal proposition and I wholeheartedly support it.

Shri Hem Barua (Gauhati): At the outset, I must thank those hon. Members opposite who have supported the idea of an oil refinery in the State of Assam. I thought that justice would after all prevail and it is a very happy thing to see that justice has prevailed. Almost all the Members on the Government Bench who have spoken have supported this idea of locating the oil refinery within that State.

There are some people who try to pooh-pooh the idea and think that it is only a sentimental soap bubble. As a matter of fact, that is not so, because the whole State has risen as one man so far as the location of the refinery in the State is concerned. I want to draw your attention to the fact that the *hartal* and strike observed on the 29th of July was the most peaceful demonstration in the history of the whole State. People have felt that this is their legitimate right and legitimate demand.

When we press our demand for the location of the oil refinery within the

State, we stand on solid ground. I may be permitted to point out that there are three very solid grounds. One is national, another is economic and the third is strategic.

So far as the national ground is concerned, I may be permitted to say that we have the support of the Report of the Planning Commission. I want to lean on this Report and quote from it. It says:

"In any progressive plan of development, it is axiomatic that the special needs of the less developed areas should receive due attention. The pattern of investment must be so devised as to lead to balanced regional development."

This question was specifically discussed in the National Development Council meeting and I would quote from the deliberations of the Council. It says:

"Every effort must be made to provide for balanced development in different parts of the country. A wide diffusion of development nuclei is essential from this point of view."

We always speak of decentralised economy and decentralised industry. That was, if I may say so, the dream for which Gandhiji lived and died. But then, when we come across the sentiments expressed by the Government, we feel that there is a clear violation of the principles and policies that they themselves have adumbrated.

Let me do a little bit of hammering and quote from their own Resolution adopted in 1956. In their Industrial Policy Resolution, the Government say:

"In order that industrialisation may benefit the economy of the country as a whole, it is important that the disparities in levels of development between different regions should be progressively reduced. The lack of industries in different parts of the country

is very often determined by factors such as the availability of necessary raw materials or other industrial resources. Concentration of industries in certain areas has also been due to the ready availability of power, water supply and transport facilities which have been developed there. It is one of the aims of national planning to ensure that these facilities are steadily made available to areas which are lagging behind industrially or where there is greater need for providing opportunities for employment....."

This is the resolution, and there was another resolution. As far as I remember, it was adopted in 1948. These two resolutions together with the deliberations of the Development Council and the Report of the Planning Commission say that there should be an even development of the economy of this country; there ought not to be any economic imbalance and there ought not to be any regional disparity. What about Assam, Sir?

It is on the frontier and I am afraid very few people know about it. It is geographically cut away from the life centre of our nation. It is rich in natural products but it is an agricultural State. According to the Census Report of 1955, 74 per cent of the population here live by agriculture, whereas only 14 per cent of the people live by avocations other than agriculture. The State is industrially most undeveloped; I would rather say, even under freedom this State has not developed industrially. The industrial development of that State is sluggish; I would say, rather poor in spite of the fact that the Brahmaputra is alone capable of producing 5 million kw of electricity according to the Central Irrigation, Navigation and Waterways Commission.

Shri T. B. Vittal Rao: Five Million?

Shri Hem Barua: Yes; 5 million kw. But Government has done nothing for the development of that State. It has been left in the lurch.

[Shri Hem Barua]

It is very rich in natural resources. The British who ruled by their military power converted that State into a colony of exploitation. You find coal, tea and oil etc there. That State was being converted into a colony of exploitation by the British rulers. If I may be permitted to say so, even under conditions of freedom those conditions of exploitation have not changed.

Shri T. B. Vittal Rao: The British planters are still there.

Shri Hem Barua: The British planters are still there, the British monopolists are still there and the British policy of exploitation is still there. It is a sad commentary on our Government that they are lending support to the monopolists for exploitation.

What about the First Five Year Plan and the Second Five Year Plan? The First Plan came, it raised high dreams of the country having national development, economic development and all that. But Assam does not have any single major industry. It was left out in the First Five Year Plan. You may take me as a provincialist. That is a very cheap slogan and is generally doled out against people whom you do not like or whom you dislike. You may dislike the views.

There is one thing which I want to say. Those States which had major industries under British rule, those States that are industrially developed, industrially far more advanced than the State of Assam, got major industries under the First Five Year Plan and Assam was left out entirely. I can tell you—and it is a fact—that the people of Assam are very hospitable and I can also tell you that they are temperamentally opposed to cheap agitation. The leaders of the Government.

Shri B. S. Murthy (Kakinada—Reserved—Sch. Castes): Is agitation very costly there?

Shri Hem Barua: It is very cheap, not in the ordinary sense of the term, of course I may tell you that it is as cheap as Delhi tap water.

They are incapable of that. The leaders of our Government profess lyrical love and affection for them and go into raptures over the natural beauty of the State. I do not know their Hindi expression for that. I think they say *Kitna Sundar Pranth Hai* or something like that. My knowledge of Hindi is very little. They go almost dramatic about it. They would express all these fine sentiments. They would express the sentiment of love and affection for the State of Assam. I know also a little bit of love and affection including the love of the cat for the mouse. But unless and until they are translated into practice or solid actions, love and affection do not have any meaning.

For instance, Gandhiji loved Assam. In the "grouping" scheme of the British there was a proposal to sacrifice Assam at the altar of Pakistan. It was Gandhiji who stood up and fought for Assam and saved Assam from the onslaught of Pakistan. We are grateful to him and we want the same history to be repeated by our leaders. But, it is a very sorry thing that they do not want to do that.

There might be some people who may say that I am anti-Indian when I say so. It is not that. I want the development and growth of India as a whole. At the same time, I do not want a disproportionate development of India's growth in the middle by dissipating and withering the limbs in the extremities. That is not a healthy growth. We want a healthy and prosperous Assam in the context of a healthy and prosperous India. That is what we want to see. This disproportionate growth, this imbalance in economic growth is only possible in a Swiftian phantasmagoria. It is not possible in the context of reality. We want to be realists, we want to live an objective and worthy life. We want to build

a new history. We cannot have a life far-flung from the Centre of national life, to wane there and dissipate and die. That is what is happening today.

Now, about the oil refinery. The oil refinery is economically feasible in Assam. That is what the Expert Committee Report—appointed by the Government of India—says. It is also a sad commentary of fact that somehow or other I have gone through the report of the Expert Committee which has been kept a confidential document. They say....

Shri B. S. Murthy: Were you taken into confidence by the Government?

Shri Hem Barua: I do not know that. It is for you to imagine.

That is the Expert Committee report in spite of the fact that the Assam Oil Company, a firm of British capitalists, had its influence on the members of the committee. I do not make any secret of it. In spite of that influence they have suggested three places for the purpose of locating the oil refinery. One is Gauhati; another is Barauni and the third is Calcutta. This is an economic factor.

We wanted the Government of India to declare forthwith the establishment of the oil refinery within the State of Assam. Instead of doing that they are issuing contradictory statements, making contradictory utterances. Why is it so? Because the Assam Oil Company does not want it to be located within the State of Assam.

Even now on the 15th of July, when I tabled an adjournment motion here, there was a certain statement made and we had the impression that the location of the oil refinery in Barauni was almost a settled fact. That was the news carried by the newspapers.

After that the Members of the Assam Government and the Congress party came and negotiated for 5 days with the personnel of the Government of India. After the negotiations for

5 days there was a Press Note and a statement by the Prime Minister. They were beautifully vague. There was nothing there. They did not make any clear declaration. The only thing they said was that they will have a project report about Gauhati as well. After they thought of the location at Barauni they wanted a project report. At the same time the announcement was beautifully vague. They do not say that they would compare the two project reports and then come to a conclusion or decision. They have not stated that.

On the 5th of August, I had tabled a short notice question. There also the answer was vague. The personnel of the Congress Government of Assam came down to Delhi and in order to console them, these people threw the idea of a project report on Gauhati as a gilded lollipop into the gaping mouth of a weeping child. This is what they did. Lollipops do not nourish anybody.

What are the forces that are working behind? There is the Assam Oil Company. It does not want an oil refinery either at Barauni or at Gauhati. That company is going to subscribe some amount to the capital of the Refinery. It wants the refinery to be established at a port town. What is the idea? They might export oil. In the event of war, they might load barges and transport it away to the international market. They want a rich harvest of profit and thus to exploit us. That is why they do not want it in a place far away from the port because that would prove difficult for them. That is why they have reacted most violently.

I met the Prime Minister on the 23rd and discussed it with him. He was good enough to tell me that the Assam Oil Company—I am quoting him verbatim—had reacted most violently at the suggestion of Barauni. Why is that you have allowed the Assam Oil Company to react violently at the suggestion of Barauni? These foreign exploiters have converted the Middle-East and Algeria and Oman into colonies for their

[Shri Hem Barua]

economic exploitation. Oil and money have helped them to have some sort of a political gangsterism in the Middle-East. I do not want the history of Algeria and Oman to be repeated in our country but that is what is going to be. We have become the victims in the hands of British monopolists, the Assam Oil Company. On the 15th of July when I mentioned about this, the hon Ministers were angry. But, in these matters we should be led by facts and not by sentiment. So, these sinister designs of the Assam Oil Company should be nipped in the bud.

I came across a State Minister who had some misgivings. He said "Look here, we cannot afford to displease the Assam Oil Company. That is a British Company. If we do something it will disturb our Commonwealth relations." Disturb the Commonwealth relations! That was strange and romantic and it was made in a romantic way. I know quite a few Ministers who are privileged Romeos and I do not know if he is one. I was taken aback at this talk of Commonwealth. I know a little about this Commonwealth. She is alluring no doubt but she is like Dahlah a bad woman too, who offers a kiss but conceals a poison sting underneath. The poison sting in the case is the economic exploitation by Britain, the dominant member of the Commonwealth, through the various agencies in this country. They want to increase it and they are applying it in the case of Assam—Digboi and Naharkotiya—and the oil refineries that we propose to establish in this country.

Then let me say a few things about the Experts Committee. They are awfully funny. They did not have any material at their disposal. The Government of India did not supply them with any material whatsoever. They were given hardly two months' time to make a decision. This was a very serious problem. To allow barely two months' time to come to a conclusion on such a serious prob-

lem—if I may use the Prime Minister's word—is fantastic. Then, in the absence of that they relied entirely on the materials supplied to them by the Assam Oil Company.

I have read this confidential document and there I have come across a very funny thing. They have there thanked the Assam Oil Company for the "valuable assistance they rendered in collecting and compiling a large volume of statistical and other information that was required." They were supplied with statistical and other information by the interested party to base their conclusion on. Is it not a strange phenomenon?

There are three categories of oil reserves proved, probable and anticipated reserves. The Expert Committee based their conclusions on these results. They relied entirely on the firm appointed by the Assam Oil Company and that was an international firm—De Golyer and Macnaughton. I do not doubt the *bona fides* of this firm of assessors. I want to know why the Government of India did not consider it fit to institute an independent enquiry into it? Why is it that it depended entirely on a firm that was engaged by the Assam Oil Company? I am sorry that the Government of India has allowed itself to be exploited like this.

There are other things about oil production. There are primarily two patterns of production—kerosene intensive and aviation spirit intensive. From the national standpoint and also from the point of view of self-sufficiency, we should have a pattern of production where there is kerosene intensive, we should have that pattern of production, we should have diesel-cum-motor spirit-cum kerosene intensive bias. Our rural areas need kerosene, motor spirit is also needed. Diesel oil is also needed because it was announced on the floor of the House recently that we are going in for dieselisation of our railways. But the Assam Oil Company does not want that. It wants the other pattern of production that is aviation spirit bias.

It is computed that this refinery would produce about 2,05,000 million tons of aviation spirit. India, it is estimated, will consume annually only 90,000 million tons of aviation spirit by 1962. What are we to do with the rest? They would export the rest to the international market so that they may get a larger harvest of profit. That is in the minds of the owners of that company. Not only that. They also want to have a strategic control of this area. There is another point. The jet planes can be propelled by a superior kind of kerosene.

Another suggestion is that the refinery must be situated in an economic area. It is a very sound proposition. But, I can quote instance after instance from the oil history of the world where the refineries are not located in the economic area, i.e. the consumption area. The refined product,—there are instances of it,—is transported to the economic areas by pipelines. I quote from the *Encyclopaedia Americana*, Volume 22

“The main line of the products pipeline from Beaumont, Texas was 20 inches in diameter, was 1475 miles in length of this total, approximately 481 miles was seamless steel. Including feeder lines in the gulf coast area, the system embraced a total of 1706 miles of pipelines. The system was designed to handle several kinds of refined petroleum products pumped through the line in successive batches without any mechanical separation between the different products and with relatively little mixing of one product with another.”

There are instances in the oil history of the world; refined oil can be transported through the pipes. It is quite strange and fantastic that the expert committee people suggested—and the Government believed it,—that refined products cannot be transported by pipelines and that only raw and crude oil can be transported.

There is another difficulty about the transport of Assam crude oil. It

has a high percentage of wax and during winter, you will have to employ booster pumping stations and heat exchangers at an interval of 20 or 30 miles which would go to add to the additional capital cost. The expert committee cleverly and conveniently forgot this.

14 hrs.

One of the factors as said already is the need of the location of the refinery in the economic area, i.e. the consumption area. In this connection I want to tell you one thing. The national policy in locating such projects is the availability of raw materials. If it were not for this Rourkela would not have got an Iron and Steel plant, and Bhilai in Madhya Pradesh would not have got an Iron and Steel plant either. They are getting these plants only because of that national policy. We have one policy for one set of people and another policy for another set of people. This is known as, shall I say, favouritism.

There is another excuse, a very fine excuse about the transport bottleneck and all that. Can you think of a State that is cut off from the rest of India by a railway line that fails regularly during the monsoons? Recently it has failed and there have been as many as seven breaches in that railway line, i.e. the Assam Railway link line which runs through the one-time princely state of Cooch Behar through a narrow corridor of about 40 miles. I think Danzig was only a little less wide. What about the carrying capacity of this railway line? It carries only 14 per cent of the tea traffic, whereas the rest is lifted by the river companies. That is the fate. The railway transport has to be stabilised. It has to be developed irrespective of the fact where the oil refinery is going to be located, i.e. independent of the location of the oil refinery. If it is said that the railway line will be stabilised, so far so good. That is what the Railway Ministry has said. At the same time, it is held out by some people that it might happen that in spite of the fact that the railway

[Shri Hem Barua]

line is developed it may not have the capacity to carry the finished product. The finished products might be carried—one should remember, by pipeline also.

On the 15th July the Prime Minister added another reason to it. He said that there are defence reasons. With regard to defence reasons, there is another beautiful thing about Gauhati. It will be a consolidated pattern. It will have not only a refinery, it will have a power generating plant and a fertiliser plant, all for economic reasons. You want to have a refinery outside Assam and carry the crude oil from Naharkatiya field to that refinery. There is a pipeline. If you cannot defend the pipeline how can you propose to defend the oil fields in case of a war? Defence is always a consolidated programme, it is always a consolidated pattern. Therefore, I would invite the attention of the Government to defend not only the oil fields but also the refinery and the transport line. These three things would form a consolidated pattern of defence and the three things are to be defended together.

In this connection I want to say one thing about the last World War. There is a small refinery and an oil field in Digboi. Actually the enemies came and knocked at our doors. The enemies came and bombarded the District of Lakhimpur where the Digboi oil field is located. But, somehow or other the refinery was saved

What about Barauni, and what about Gauhati? Barauni is 170 miles away from the Pakistan border. Gauhati is 146½ miles away from the Pakistan border. The pipeline that is calculated to carry the oil from Gauhati would be 72 miles away at places from the border of Pakistan whereas the pipeline that would carry crude oil to Barauni would be within 20 miles of the Pakistan border at places. These are the facts.

In spite of the declaration of the Experts Committee that Gauhati is

economically and technically feasible, in spite of the fact that it is our national policy to remove regional disparity, in spite of the fact that the people of Assam are one in their demand for the location of the oil refinery,—I do not want to dole out a warning but I want to do a little bit of soothsaying—I want to tell you, you have the oil refinery out of Assam, only on our bones.

Mr. Chairman: The following are the selected cut motions relating to the Demands under the Ministry of Steel, Mines, and Fuel which have been indicated by the Members to be moved subject to their admissibility

Demand No.	No of Cut Motion
78	1385 to 1390
79	571 to 573, 790 to 792, 794 to 796, 1376 to 1379, 1391, 1392.

Policy of Leaving lignite-mines Newell to a corporation

Shri Tangamani (Madurai): I beg to move

"That the demand under the head 'Ministry of Steel, Mines & Fuel' be reduced by Rs. 100."

Failure to start Iron and Steel Industries in Madras State

Shri Tangamani: I beg to move:

"That the demand under the head 'Ministry of Steel, Mines & Fuel' be reduced by Rs. 100."

Failure to develop magnesite mines in Salem

Shri Tangamani: I beg to move:

"That the demand under the head 'Ministry of Steel, Mines & Fuel' be reduced by Rs. 100."

Failure to carry out explorations for oil in Madras State

Shri Tangamani: I beg to move:

"That the demand under the head 'Ministry of Steel, Mines & Fuel' be reduced by Rs. 100."

Failure to reduce prices of petroleum products

Shri Tangamani: I beg to move:

"That the demand under the head 'Ministry of Steel, Mines & Fuel' be reduced by Rs 100."

Need to improve conditions in manganese mines in Gavarivada in Sindhuva District in Madhya Pradesh

Shri Tangamani: I beg to move:

"That the demand under the head 'Ministry of Steel, Mines & Fuel' be reduced by Rs 100"

Low output in the coal mines in the public sector

Shri T. B. Vittal Rao: I beg to move

"That the demand under the head 'Mines' be reduced by Rs 100"

Refusal of grant to Singareni collieries during 1956-57

Shri T. B. Vittal Rao: I beg to move

"That the demand under the head 'Mines' be reduced by Rs 100"

Delay in the examination of the Report of the Committee on the Amalgamation of Small Collieries

Shri T. B. Vittal Rao: I beg to move

"That the demand under the head 'Mines' be reduced by Rs 100"

Closure of Rajaur Collieries, Yeotmal District, Bombay State

Shri T. B. Vittal Rao: I beg to move:

"That the demand under the head 'Mines' be reduced by Rs. 100."

Closure of Mandalpur Collieries, West Bengal

Shri T. B. Vittal Rao: I beg to move:

"That the demand under the head 'Mines' be reduced by Rs 100"

Closure of Singaran Collieries, West Bengal

Shri T. B. Vittal Rao: I beg to move

"That the demand under the head 'Mines' be reduced by Rs 100"

Question of nationalisation of Manganese Mines

Shri T. B. Vittal Rao: I beg to move

"That the demand under the head 'Mines' be reduced by Rs 100"

Need to nationalise the Coal Mines

Shri T. B. Vittal Rao: I beg to move

"That the demand under the head 'Mines' be reduced by Rs 100"

Interim price increase of coal by Rs. 1.8-0 per ton

Shri T. B. Vittal Rao: I beg to move

"That the demand under the head 'Mines' be reduced by Rs 100"

Postponement of the drilling operations

Shri T. B. Vittal Rao: I beg to move

"That the demand under the head 'Mines' be reduced by Rs 100"

Proper consumption of coal by the consumers

Shri T. B. Vittal Rao: I beg to move

"That the demand under the head 'Mines' be reduced by Rs. 100."

Need for the location of low temperature carbonisation plant at Kothagudem, Andhra Pradesh

Shri T. B. Vittal Rao: I beg to move

"That the demand under the head 'Mines' be reduced by Rs 100"

Functions of Coal Board

Shri T. B. Vittal Rao: I beg to move

"That the demand under the head 'Mines' be reduced by Rs 100"

Elimination of Oriya language from the curriculum of studies in the schools run by the Hindusthan Steel Company at Rourkela

Shri Mahanty (Dhenkanal). I beg to move

"That the demand under the head 'Mines' be reduced by Rs 100"

Treatment of labourers and other workers engaged by the Hindusthan Steel Company at Rourkela

Shri Mahanty: I beg to move.

"That the demand under the head 'Mines' be reduced by Rs 100"

Mr Chairman: These cut motions are before the House

Shri Basappa (Tiptur): Mr Chairman, Sir, after the eloquent and oratoric speech of my hon friend from Assam I feel that my speech may be a little stale but, nonetheless, I would like to say a few things about iron and steel. Before I do so, my hon friend from Assam has told us about the location of the oil refinery, and he is very much agitated over that issue as everyone in the House is. But, the assurance that has been given by our hon. Prime Minister the other day will go a long way in doing justice

to this problem. I hope all the facts that have been stated now will be taken note of by the Government and some justice will be done to Assam as Assam deserves every sympathy from this House

There were several hon speakers before me, one speaking on coal as though he is an expert, one on oil and so on. My hon friend from Mysore has spoken about steel also. Now that Mysore has undertaken some work in the direction of iron and steel I thought I should also take part in this debate

Because of the importance of this Ministry in the industrial development of this country, we have to appreciate and admire the laudable objects of this Ministry. When we say that iron and steel is required for a very large number of purposes—my friend Shri T. Subramniam just now narrated them—we can see in which direction the development of our country lies

Many of our great personages have also dealt on this aspect of the question. Recently our hon Finance Minister, Shri T. T. Krishnamachari has told us

"Today I find that the only stable commodity on which I can depend in order to build up resources for repayment of foreign loans happens to be steel."

This is one statement of our Finance Minister. Then he goes on to say

"Our tea exports might not expand, our textiles might contract, our jute exports might go down, but the only commodity the world will accept from any country in future on a barter basis or cash basis would be steel."

This is what our Finance Minister said. Then, coming to our Prime Minister, he has also given great importance to this aspect of the question. Our Prime Minister said:

"We are tied up with big undertakings. We cannot delay. We cannot

not cut down the steel plants. The big mistake that we made was that we did not, partly at least, go in for that steel plant in the First Plan."

So, our Prime Minister is ready to confess that we made a little mistake in the First Plan. Therefore, when we take into consideration the Second Five Year Plan we begin with certain things a great deal of which we ought to have prepared in the First Plan itself.

Anyhow, we are all proud of the three gigantic steel plants that are going up in our country. We are all proud of them and we wish them every godspeed, so that they may come into full production within the scheduled time.

When I say this, I am fully aware of how backward we are in the matter of steel production in this country. My friend has already quoted facts and figures to show where U.S.A. stands, where U.K. stands and where our country stands in the matter of production of steel in the world. When nearly 100 million tons are manufactured in the United States, about 40 million tons are manufactured in the U.S.S.R. and about 20 million tons in the United Kingdom and Germany, we are having only one million tons of steel. The progress and the economic development of the country is also measured by the consumption of steel by an individual. It has been said that our consumption is only 12 pounds per individual, compared to nearly 1,000 pounds by an individual in the rest of the world. All these facts show that we are very backward and that we should not continue any longer in the present state of affairs. Even considering the long tradition that we had in the past including the Iron Pillar to which reference was made, we continue to be backward in the matter of steel. But all these facts will show that we have a great future for this country in the matter of production of steel. A great beginning has been made, and credit must

also be given to the original producers of iron and steel, when everything was imported into this country from other countries. The Tatas have made a very good beginning. The Iron and Steel Company of Bengal, the Tata Iron and Steel Works and also the Bhadravati Iron and Steel Works equally receive our compliments in the direction.

Looking to the requirements of our second Five Year Plan, we see that since the first Five Year Plan, as I told you, we have not achieved much. From 1.1 million tons, we were able to come up only to 1.3 million tons, the difference being only .2. But in the second Five Year Plan, our aim has been to produce 4.3 million tons of steel. This is a good augury. But I fear whether we can keep up to this schedule, because the arrangements in the first Five Year Plan were lacking, so much so that we have to turn all our attention to these things. Now that our targets are there, our finance is the most important thing, because, as I see it, so far as the estimates for the steel plants are concerned, the original estimates do not stand. If we had Rs. 300 crores for these steel plants, it now comes up to Rs. 400 crores. I am speaking roughly. In one steel plant, if we had aimed at Rs. 138 crores, it has come up to Rs. 170 crores. Similar is the case with regard to other steel plants. There are reasons for that also. So, we have to be very careful with regard to these estimates and we must see that these steel plants come up according to schedule. When all these steel plants come up and the expansion programme in the private sector and also in the public sector goes high, I think we will have a bright future.

I am very happy that the Ministry is engaging itself towards the expansion of the existing units also. The Tatas will double their production and they have been given nearly Rs. 10 crores by way of loan, and the Iron

[Shri Basappa]

and Steel Works, Calcutta, is also increasing its production. The Bhadravati Iron and Steel Works will also increase its production from 30,000 tons to one million tons of steel in the second Five Year Plan. So, the expansion programme is there. When I see all these things, the entire development of the country is sure to proceed well.

We have many advantages through the development of these plants also, because we know, as a matter of fact, that we are spending nearly Rs. 200 crores by way of foreign exchange to import the materials and we do know that the foreign exchange trouble is there. On the other hand, if we are able to produce more of steel in this country and if we can export it also, we may earn more foreign exchange. We have to import nearly at the rate of Rs. 600 per ton, whereas, if we produce steel ourselves, we expect to sell it, as we are told, at Rs. 400 per ton. So there will be so much of advantage by having all these plants in our country itself.

Now that the Ministry is re-organised, I want to say a word or two about it. It is all very good. It will be in the interests of development of our mineral resources as well as steel production. I like it. But there is one thing which I want to say. I am not in a mood to give any caution or anything like that, but I still say that the change of portfolios of Ministers so soon would not be very helpful. I say this because I notice the change of portfolio, now and then. Of course, it becomes very inevitable sometimes. But when a Minister has delved deep into certain subjects and he is very well-versed in the location of the steel plants and also in the development of them, when his thinking goes in a particular way, I feel that there should not be a change soon. It is not that the present hon. Minister is not fit. He has done a very good job in the Ministry of Works, Housing and Supply and I am quite certain that

he will deal with the steel plants in a very efficient manner. I have no doubt about that. But still, I would say that the frequent change of portfolios can be avoided, though I welcome the re-organisation of this Ministry. I do not say much on that aspect.

Now, the trained personnel that we require for the big steel plants is very enormous. From now on, we must prepare our youngmen to become steel experts, send our men abroad to obtain fresh knowledge. We must have such trained men ready so that when our steel production comes to full efficiency, they will be able to handle all these things well.

When I say all these things in a general way, I should like to say a few words about the Iron and Steel Works at Bhadravati, Mysore, the State from which I come. I must say—and I cannot help saying it—that it has been receiving a step-motherly treatment at the hands of the Government here, because its development programme has been cut down from Rs. 11 crores to Rs. 6 crores. Originally, we included our stainless steel factory at Bhadravati. A small unit like Bhadravati will be very suitable for stainless steel. Everyone recognises it. Now, I do not know why things are not taking a proper shape. The allotment has been cut down. When I say this, you should not neglect the iron and steel works which are in the public sector already. You are trying to have more steel plants, bigger steel plants, in the public sector. But I might remind the House that when there was no plant at all in the country, it was the Bhadravati Iron and Steel Works that showed the way, and so such a factory should not be neglected now. We are asking for the supply of coal from the railways, but even that has been denied. The billets are not supplied. The production of high-grade steel, for which Bhadravati Works are specially known, can be given greater encouragement there. Bhadravati can specialise in the pro-

duction of high-grade steel. That has been stated very often.

Shri Ranga (Tenali): That was the first factory in India.

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

Shri Basappa: I would not take much time. I have to say a few words about the iron and steel control. It is not very satisfactory. I must say a few words about it, and I request you to give me one or two minutes more. The rural parts are not getting iron and steel at all. The right purpose is neglected many a time and sometimes the permits happen to be bogus permits. The very person goes and sells the permits to the very merchant from whom he takes it. There is no fair transaction at all. Such things happen so much so that the right individual does not get the thing and the right purpose is not served. For example, for agricultural production, my State was given 2,636 tons in 1956-57, but in 1957-58, they have given an allotment of only 740 tons to my State. 1,400 tons are absent. How can agricultural production and food production go on in the country if the ryots have not got enough steel? From this we can see how iron and steel will have to be reorganised properly and the small-scale industries and the co-operative societies should get a larger share. There is not of black-marketing also. The prosecutions that are launched are not able to stop this black-marketing. Now that we are short of steel to a very great extent, it must be worked efficiently and the right persons should be entrusted with this work.

Lastly, coming to nationalisation, the nationalisation of the Mysore gold mines was inevitable and a lot of money has been spent there for finding out new gold ore mines. The previous company, John Taylor and Company did not spend anything at all and therefore, there was a lot of heart-breaking among the Mysore people that it should be nationalised. Now it has been nationalised and I am glad to know that it is working at

some profit. But still a serious situation may arise when we have to spend a lot of money in finding out new ore and all that. Now that the Government of India has been generous to give a large compensation to the gold mining company, they should also come forward to help the Mysore Government to carry on this national undertaking. The test of our national public undertaking lies on how we carry on these things and therefore, the Central Government will take these things into consideration and help the nationalised gold mines in the Mysore State.

Shri S. V. Ramaswami (Salem): The previous speaker dealt with the changes in portfolios of Ministers. It is too delicate a ground for me to tread, but what I can legitimately point out to this House is that in the allocation of subjects to the various Ministries, there does not seem to be any rationalisation. The geological survey seems to have been allotted to the Ministry of Education and Scientific Research, whereas the Bureau of Mines comes under this Ministry. It is far better that both fall under this Ministry instead of being split up like this, because mines and minerals are essential matters concerning this Ministry and if the geological survey is taken away and placed under some other Ministry, there cannot be proper co-ordination. I hope that Government will take early steps to see that the geological survey is transferred to this Ministry.

Incidentally I may point out that the geological survey needs more activation. The survey reports that we have are very old; they are not modern and up-to-date. They were carried on at a time when technological advancement was not very far. The methods by which the surveys were carried on were somewhat crude and primitive. Science has advanced so far now that it is high time the geological survey is strengthened and modern methods of surveying minerals are carried out in a more intensive manner. There is enormous wealth underground and even the surveys

[Shri S. . Ramaswami]

are, to my mind, not correct. I hope the Ministry will pay great attention to this and see that the surveys are up-to-date and also accurate.

My friends from Assam are naturally agitated over the question of the location of the oil refinery. I have no desire to enter into that controversy. But I have been studying the principles and the way in which oil companies function and it is somewhat difficult to understand how the refinery can be located in a place where there is not much of consumption and how refined oil can be distributed over long distances. I am talking as a layman who has studied the economics of oil installations. If, for instance, they locate it in Gauhati, it is not a consuming centre and refined oil has got to be distributed over several hundreds of miles. First of all, it seems to be not technically feasible to transfer refined oil through pipelines....

An Hon. Member: It is done in America.

Shri S. V. Ramaswami: We are not living in America; we are living in India. Unless there are consuming centres on the way, it may not be economically feasible to carry refined oil over long distances. Anyhow, it is not for us to enter into that controversy. It is so to say a *sub judice* matter.

What I am really concerned with is the pricing of oil in this country. Sometime ago, the price of petroleum was raised by about an anna. Thinking of those days when Russian petrol came, you will remember that we were able to get a gallon of oil for 15 annas; in Madras port it was even less. They were golden days when petrol was cheap. When we think of the present price of Rs. 3.3.0. per gallon, one wonders whether we will ever go back to those days when we were getting a gallon of petrol for less than a rupee.

In the matter of pricing of oil in this country, there seems to be a hush-hush method. We exactly do not

know how the prices are arrived at. Broadly the position seems to be that the Burma-Shell oil company has what they call the VSA method—value stock account method—which seems to be the basis for fixing the price. In all other refineries, they have no independent pricing system; they follow the lead given by Burma-Shell. The elements which enter into the VSA method do not seem to be clear. For one thing, there are no Government auditors. The auditors on behalf of Government cannot go in and look into the accounts and check up whether items which have gone into the accounting are correct or not. Whatever is given as VSA has got to be accepted as gospel truth.

It also appears that the main item seems to be the CIF about which I shall presently tell something. After that, they have got the post-CIF accounts, which seem to account for Rs. 20 to Rs. 30 crores per annum. I am given to understand that there is a lot of manipulation possible in the post-CIF accounts and items which need not be entered seem to be entered; yet, Government seems to be powerless. With regard to this CIF price also, there seems to be a wide disparity in the prices quoted by these companies for oil that is transported for use in India and oil that goes out of India. The CIF price for sale in India for motor spirit is given to be Rs. 202 per ton, whereas the FOB price for export is Rs. 179. Similarly, for furnace oil, the CIF price for sale in India seems to be Rs. 103 and the FOB price for export is Rs. 85. How are these figures worked out? We are powerless to find it out. How the price is ultimately fixed has got to be examined.

It would also appear that we are paying prices for petrol and other mineral oils which are much more than in other countries. In July, 1956, for instance, the Bombay price for petrol was 1s. 10½d. whereas the price in London or in any port in France was 1s. 7d. In Colombo, it was 1 sh. 8d. Why should we alone be called upon to pay extra amounts is a matter

for investigation. Similarly for aviation petrol, in Bombay, the price was 2 sh. 8½ d. whereas in London it was 2 sh. 2½ d. It stands to reason that the prices ought really to go down because, for one thing, the productive capacity of these refineries has doubled. The initial rated capacity of Burma-Shell was given out as 1.5 million tons. It has actually risen to 2 million tons and it may well go up to 2.5 million tons. Even so, for Standard Vacuum, the initial rated capacity was 19,000 barrels. It has gone up to 31,000 barrels and it may well go up to 33,000 barrels. Similarly, for Caltex, the productive capacity has almost doubled. Naturally, we should expect, owing to the large-scale economies, the prices to go down. On the other hand, prices tend to rise. These are matters which need investigation. I suggest that Government may think of having their own auditors to check these figures. Also, it would be worth while to appoint a Committee to go into the question of the pricing system. Thirdly, I would very much desire that a refinery is set up in the public sector quickly so that we might know the secrets of this big business. If we know the secrets, very possibly, we might be able to bring more pressure to bear upon these private companies which are imperialisists in themselves.

I now switch on to some other points which are of some importance to the south. Salem iron ore has been sent in wagons two or three years ago for metallurgical examination. I do not know whether it comes under this department. I just skip through the several items.

An Hon. Member: It comes under Education.

Shri S. V. Ramaswami: Because, there is so much confusion.

Sardar Swaran Singh: All right; the hon. Member may go on.

Shri S. V. Ramaswami: There is no co-ordination. Salem iron ore,—iron ore from Salem, the district from which I come,—and some lignite from

Neiveli were sent for the purpose of test. Two or three years have passed. Nothing has come out. The period of gestation seems to be prolonged. I do not know when the results will be out.

Shri Jaganatha Rao (Koraput): Still-born.

Shri S. V. Ramaswami: My hon. friend suggests something else. I hope it would not be like that. These investigations try one's patience. This need of having an iron and steel plant, the possibility of it is so great, is intensely felt in the south. If this matter is agitating the minds of the people in the south, why is there such a delay? Why can't some more energy be put into it or urgency felt in this matter, so that, even though immediately we may not have a full-blown iron and steel plant as we have in Tatanagar, as we are going to have in this region, the results of these investigations might be helpful in the setting up of low shaft furnaces, a number of them, all over this district and the neighbouring district of Coimbatore. We may be able to produce pig iron in large quantities. After all, we need 800,000 tons of pig iron for the foundries in India, per annum. Even if we could not produce the whole lot, to the extent that we produce, we would relieve the iron and steel factories of the necessity to produce pig iron for the foundries. I hope the Ministry will take some urgent steps to see that some results come out.

The other point is about the lignite project. Every hope is being pinned on the success of the lignite project. The entire face of South India will change in its industrial aspect. Without lignite, I cannot conceive of South India progressing industrially. Therefore, it needs every effort on the part of the Ministry to see that this project is implemented as quickly as possible. I have heard,—I hope it is not true,—some murmurs that enough foreign exchange is not being spared for the necessary things which may halt or slow down the progress

[Shri S. V. Ramaswami:]

of the lignite project. I hope, no consideration, not even the consideration of exchange shortage, will stand in the way of the implementation of this vital project, so vital for the progress of the south.

One other point I wish to urge is about the stocks of coal and coke. Oftentimes, power fails in the south because ours is mostly hydro-electric power and it depends on the rains in Coorg if the power houses in Sivassamudram and Mettur have to produce power. We have had this difficulty and during the last five or six years, almost every alternate year, we have had power cuts even to the tune of 65 per cent or 75 per cent. Naturally, that has got an adverse effect on the industries, labour employed, and the prosperity of the south. In order to see that this shortage does not occur, I would earnestly submit that more thermal stations be set up there in order to balance and give an even amount of current. For that and also for the industries in the south, I submit, it is necessary to build up stock of coal and coke to meet any contingency. Oftentimes, I receive frantic appeals and letters from industrialists asking me to go and see the Minister and send some coal and coke urgently. Last year, it took place. The position seems to be somewhat better this year. But, we cannot be sure that in the future also, the same thing will continue. The only safety lies in building up a huge stock in Madras or some other port so that these may be rushed wherever there is necessity.

As regards the question of oil exploration, I earnestly request the hon. Minister not to concentrate on the north alone in Jwalamukhi area. The Russian experts have reported about the possibility of finding oil in the Cauvery delta, in which, Mr. Chairman, you are very much interested.

Mr. Chairman: I am interested in the whole of India.

Shri S. V. Ramaswami: I do submit that the Minister in charge of oil drilling will be pleased to have one batch working in the south as well.

Shri B. S. Murthy: Including the Godavari Delta.

Shri Narasimhan (Krishnagiri): Mr. Chairman, my hon. friend Shri S. V. Ramaswami was referring to oil prospecting in the south. I want to have some information from the Minister on the subject. Last session, it was said that a German expert mission went there and undertook some investigation. It was also said in the House that they have made some report and that the Government and the Oil and Natural Gas Division were examining the report. I would like to know whether the examination has been completed and what that has led to. This morning a question was put about many of these things and the reply given about these things was not satisfactory. We were told that they were still being considered. I want in particular to know what was the result of the examination of the German experts who went to the south and made certain observations and reports. I would like the hon. Minister to take this House into confidence about it.

This Ministry, particularly the Mines Division, has been asked to undertake a great burden since the First and the Second Plans decided upon big scale industrialisation of the country. The Ministry of Mines have been bearing the burden all the period and they have acquitted themselves very well. Steel and Iron projects and production of other minerals etc. require a lot of preliminary work by this Ministry. With their limited technical strength they have been doing quite a lot. But it should not go on at this attenuated form. The Ministry's burdens are very heavy. A lot of technical men are required. The Plan will fail if the requisite technical men are not forthcoming.

Particularly, the education on mining and metallurgy should receive very great attention. They no doubt have a college somewhere in Dhanbad. They are also contemplating strengthening it. I want that one or two more colleges distributed in the distant parts of the country. Take, for instance, Madras State. It is in South India. On one side of it we have got the Mysore State. Then in Madras itself we have got the lignite project. Rs 40 crores to Rs 60 crores are going to be spent on it. A lot of spade work is necessary and want of technical men may upset the programme. Therefore I want that greater stress should be laid on getting proper mining engineers and on strengthening the educational side.

Regarding mineral production, we have an export drive for everything. But it surprises me to find that a thing like gypsum is being imported in large quantities. We are very rich in gypsum ore. Maybe the quality is not as high as we would like. Sindri factory needs gypsum. I am told that till April this year a quarter of a crore of rupees worth of gypsum was imported from outside. I do not like this state of affairs. The Government side and their financial and economic experts may glibly say, we must have free trade and we must allow things to come from abroad so that we may export other things. But there is one thing called Swadeshi and Swadeshi will give economic strength. We have gypsum in abundant quantity and it can be used in our Sindri factory. If the quality is not good enough, what are our research institutions doing about it? Are they contemplating a satisfactory method of beneficiating, enriching and upgrading the gypsum that we have in such large quantities?

Shri B. S. Murthy: Is upgrading also done in the Swadeshi pattern?

Shri Narasimhan: Yes, it should be. It is very natural. I do feel that we can thereby upgrade ourselves. We want promotion of ourselves. In the same way, I would very much like effort being made for the beneficiation of this gypsum. If gypsum of

good quality is available reasonably near Sindri—not like the present arrangement under which we are getting it from far away places like Rajasthan or Pakistan—even if it is 500 miles nearer, and if we can upgrade it in a satisfactory manner, it will greatly strengthen the efficient working of the Sindri factory.

The other day I came across a report in which figures were given about the export as well as the import of minerals. I found that we are still importing a lot of sulphur. I want that something should be done about that. We must produce it locally because sulphuric acid is necessary not only for our industry but also for our defence.

Mr. Chairman: There is a report about sulphur in the Himalayas in today's papers.

Shri Narasimhan: It has to be explored.

The Minister of Mines and Oil (Shri K. D. Malaviya): It has to be brought from the Himalayas. It is a huge problem.

Shri Narasimhan: It is easy to bring it from high level to low level.

Shri S. V. Ramaswami: You can have aerial ropeway.

Shri Narasimhan: About the lignite project I want an assurance. The Prime Minister, inaugurated the mining operations described as "removal of the overburden". I want an assurance that this work will go on satisfactorily and the target set for production of a particular quantity of lignite at a particular period will be adhered to and, as my friend Shri Ramaswami earnestly urged, the foreign exchange needed for the necessary machinery will be given ungrudgingly.

Shri T. B. Vittal Rao: No periodical targets.

Shri Narasimhan: Regarding the set-up of the Ministry I am very happy that iron and steel and mines have come under one Ministry. But, as my

[Shri Narasimhan]

friend Shri Ramaswami has pointed out, the separation of the Geological Survey from the Indian Bureau of Mines is quite confusing. It leads to duplication of work. Sometimes both the Ministries may neglect a work. It may become none's baby.

Shri S. V. Ramaswami: An orphan.

Shri Narasimhan: I do not want such a danger. In the interest of economy and efficiency these two departments should come under one Ministry.

Then I have a grievance against the way in which an answer was given to me this morning to one of my Unstarred Questions. I wanted information as to what the Indian Bureau of Mines and the Geological Survey have planned for the State of Madras under the Second Five Year Plan and I expected an answer. I was surprised to receive the answer I got. Of course, the particular Ministry which we are discussing has nothing to do with geological survey but the question referred to the Indian Bureau of Mines also. After I have given ten days' notice, they say they are collecting figures. I am not able to understand that. I think that ten days' time is more than enough to compile the figures and submit it to the House. In this case they may have justifiable reasons for the delay. But, normally speaking, I think the answer should be forthcoming as early as possible, particularly because when we discuss the budget proposals such information helps the members to see whether anything has to be said by them about these things. No doubt it is stated that the reply will be placed on the Table of the House. There may be some reason. I only suggest that the Minister should go into the question and find out why even some kind of tentative answer was not supplied when ten days' time was given. I have nothing more to say.

Mr. Chairman: I would be calling Mr. Kasliwal, Mr. Menon and then Mr. Guha.

Shri Kasliwal (Kotah): I rise to support the demands for grants under this Ministry.

Shri Narayanankutty Menon (Mukandapuram):.....and also to congratulate.

Shri Kasliwal: I know that this Ministry has been working with quite efficiency. Occasionally iron and steel are flashed into headlines. But the activities of this Ministry continue unruffled.

Most of the hon. Members who have spoken before me have spoken on oil, on iron, steel and coal. I want to refer to some other matters, particularly, to non-ferrous metals. My friend Shri T. B. Vittal Rao knows that non-ferrous metals are a passion with me, for I feel that the Ministry has not given as much attention to the development and expansion of the production of these metals, as they ought to have given.

Shri Banga: Most of them are being imported.

Shri Kasliwal: I would like to refer you to the First Five Year Plan in order to give you an idea of the state of affairs, so far as copper, lead and zinc are concerned. The Plan says at page 398:

"India's reserves of non-ferrous metals are inadequate with poor resources of copper, lead and zinc and practically no deposit of tin. The following table gives the annual production and consumption in 1950."

From the table, we find that the percentage of deficiency in copper was 84 per cent, the percentage of deficiency in zinc was 100 per cent, and that in the case of lead was 98 per cent.

In 1950, we were importing these three metals to the tune of Rs. 16 crores a year, and I believe, after our industrial expansion and rise in industrial production, we are probably

importing these metals to the tune of over Rs. 20 crores; probably, the figure has now gone up to Rs. 25 crores. It is my contention that although we have been spending so much of money by way of foreign exchange on the import of these metals, we have spent precious little in the matter of the development of these ores in the country itself.

In 1939-40, the average production of copper ore was 3,73,000 tons. In 1951, the production of copper ore actually became less; it was 3,69,000 tons. I do not know what the present state of affairs is, so far as copper is concerned; it may be just the same or it may have actually fallen.

Copper ore is found mostly in two States, in Singhbhum in Bihar and in Rajasthan. I do not know what the state of affairs in Bihar is. The Indian Copper Corporation, as I understand it, may be exploiting this to some extent. But so far as Rajasthan is concerned, the position is very bad. The concessions in regard to the Khetri mines, which, I believe, have the largest deposits, were given to a company known as the Jaipur Mining Co. But for the last fifteen years that company has done absolutely nothing. I am very glad that the attention of the Minister has now been drawn to this. Probably, the Minister gave an assurance in the House the other day that it is proposed to terminate the concessions to this company; if that is so, then I welcome it very much. But I would like to tell the Minister that if he is going to give the concession to a private company again, let him not do so. It is better that these copper mines are now exploited in the public sector and not in the private sector. A similar concession was given in the Alwar State, with regard to the Daribo mines, to another company, and I believe, that company also has failed completely.

In the report of the Ministry, it has been stated that so far as the Khetri and the Daribo mines are concerned, they will be engaged in structural mapping. I do not know how far

structural mapping alone will go in the matter of the production of this very important metal. I do submit that if the Minister takes it into his head to do something about these mines, a lot of foreign exchange will be saved.

Then, I would like to refer to lead and zinc. These have figured quite prominently during the last five years during question hour in this House, because there is practically only one mine which can give some lead and zinc in our country, and that is the Zawar mine. The Minister has already gone and seen that mine, and it was his view that there was enough of lead and zinc in that mine to last the country for at least 20 years. But what has been done for the development of these mines? These mines started working in 1945. The concession was given to a company known as the Metal Corporation. Certain moneys were advanced to this corporation. But what has this corporation done? Till 1955, the average production of ore was only about 5,000 or 6,000 tons. That is a very bad state of affairs. When I drew the attention of the Minister to this, he promised to look into it.

Subsequently, I came to know that a sum of Rs. 30 lakhs more had been advanced to this Metal Corporation, so that they could put up some sort of zinc smelter. I do not know what the position is now, but I would very much like that the Minister gives his personal attention to this matter, so that, again, we shall be able to save a great deal of foreign exchange in the matter of lead and zinc.

Now, I want to refer to another very important foreign exchange-earner, and that is mica. Mica is found in Bihar and in Rajasthan.

Shri Ranga: In Andhra Pradesh also.

Shri Kasiwal: I am very glad that my hon. friend shares some wealth with me, so far as mica is concerned.

[Shri Kasliwal]

But I have seen certain mines in Rajasthan, and I would like to tell Minister that the way these mines are being worked is very bad. The working of these mines has to be rationalised. The mines are being ruined at present; not much of mica is being taken out, but the mines are being ruined. They merely scratch the surface and leave the mines in a very bad condition. This kind of thing must not go on. I believe the concessionaires must be told that if they are not going to work the mines properly, the concessions given to them will be terminated. That is the only way of ensuring the proper working of these mines.

With regard to mica, we were told in the First Five Year Plan that there was a large quantity of mica going to waste, and, therefore, it was proposed to establish a micanite industry. But I do not know what has happened to that proposal. At page 404 of the First Five Year Plan, it is stated:

"Large quantities of micanite or built-up mica are consumed in the electrical equipment industry and the bulk of this has to be imported as domestic production is very negligible. The possibility of setting up an adequate micanite industry which would meet the country's requirements of this material remains to be investigated."

I would like to know what investigations have been made during the last five years, whether any project report about this micanite factory has been prepared or not, and if it has been prepared, whether it is proposed to proceed with the establishment of this factory.

Lastly, I want to refer to another mineral, to which Shri Narasimhan has already made a reference, and that is gypsum. As you know, gypsum next to coal and iron, is the most important mineral for the industrial development of this country. I know the Minister has been taking pains not merely to investigate further areas

for gypsum, but, certain new places are also being investigated. For instance, I am told that a huge mining area has recently been opened, known as the Uttarlai area, and from there, a certain quantity of gypsum is being taken to Sindri.

While all this is being done, I do not know what Government are doing with regard to gypsum in Kutch and Saurashtra, because we have been told nothing about the large deposits that are reported to be found in Saurashtra area. In my State, in Jodhpur, Bikaner and Jaisalmer, we have the largest deposits of gypsum, so, far as this country is concerned. I am not in a position at the present moment to complain much about the working of the gypsum mines in my State, but so far as Saurashtra is concerned, there is some cause for complaint.

I am not saying anything at this stage about the establishment of another fertiliser factory in Rajasthan. I know that in that matter Rajasthan has been side-tracked. I know that in that matter Rajasthan has not been given fair treatment. But that is a matter which I will refer to at some other time.

15 hrs.

Shri Narayanankutty Menon: In discussing the Demands of this Ministry, I shall try to confine myself to that head known as Petroleum Division.

When my hon. friend from Assam tried to substantiate his case on behalf of his State for the location of the oil refinery there, my hon. friend, Shri S. V. Ramaswami purported to answer the charges levelled by the hon. Member from Assam. I consider the answers to these charges as having been born out of his habituating himself to an over-anxiety to defend those who are sitting on the Treasury Benches in front of him.

He revealed one of the most technical secrets of the oil industry when he said that refined petroleum could

not be pumped through the pipeline. I do not know whether he is ignorant of the fact....

Shri S. V. Ramaswami: I said it would be difficult and costly.

Shri Narayanankutty Menon: . . . that when it was found necessary by the Iraqi Petroleum Company for strategic reasons to pump refined petrol or oil from Iraq to Haifa, the company constructed a pipeline through which high power octane could run 1700 miles away. If that is so, what is the difficulty for this crude oil and refined petroleum being run from Assam to other consuming centres?

Shri S. V. Ramaswami: My hon. friend is confusing between refined oil and crude oil.

Shri Narayanankutty Menon: I mean refined oil. What is the difficulty in refined oil being sent from Assam to the middle portions of India, if through 1700 miles of pipeline the Iraqi petroleum company could run refined oil in Iran and Iraq?

I am not for a moment touching on the pros and cons of the location of the refinery, whether it is to be in Bihar or in Assam. But the reasons given for locating the refinery at a place other than Assam seem to be a bit confusing.

The Prime Minister the other day when he was answering a question, laid emphasis upon the fact that partly due to considerations of defence, we were compelled to move the refinery from Assam to another place. When he said that, I was reminded of an old proverb in our State. A Namboodiri Brahmin kept gold in his box one night and kept the key under his pillow. The next morning the box was missing. The servants got flabbergasted. But the Namboodiri kept quiet. When at last the servants went and asked the Namboodiri, what was to be done, he replied: 'Don't worry. The box is gone. But the precious key is with me'.

The entire defence mechanism of our country, including planes, tanks

and even motor transport, for moving an inch from its place, is dependent upon the American and British oil companies today. If these American and English oil companies decide that the planes shall not move, the tanks shall not move, the motor transport of our Indian Army shall not move and our naval ships shall not stir out of our ports, our ships shall not move, our transport shall not move and our planes and tanks shall not move. When that is the circumstance and when the refinery itself is being given to one of the most powerful oil magnates in the world, the Shell Group for management, I do not know what is the defence consideration involved in the decision that the refinery should be transferred from Assam to some other place. The 'culprit' will be moving from Assam to Barauni. That is what it comes to.

Therefore, the primary consideration that weighed with the Assam Oil Company is to float another company to have a big pipeline and to loot the profit on the basis of the pipeline and also to charge an additional cost on petroleum products from Assam. The Assam Oil Company is motivated by that never-ending, perpetuating profit consideration and the Government of India is the accusing party siding with the Assam Oil Company for that profit. That is the consideration for the refinery being removed from Assam to some other place.

Coming to petroleum again, it has been stated inside and outside this House for years that the price of petroleum that is prevailing in India is not the normal price, not even an abnormal price. Go to our countryside. Everywhere you will find the Flying Red Horse, the Green of Red Shell and also the Texas Star. Open loot and plunder is going on. In saying so, I submit I am using the most decorous language which I could ever use in relation to this state of affairs.

The Minister in charge of this Ministry assured the House just a year ago that if at all Government found

[Shri Narayanankutty Menon]

that the profits of the refineries and oil companies were running too high, he would look into the matter. After giving that assurance on the floor of the House in August 1956, the Minister looked into the whole affair to save the consumers in India and about two months back, a one-anna increase in the wholesale price of oil was granted to the companies! The result is that Rs. 6 crores more are being transported from India as foreign exchange and profits to America and England.

Before I submit to the House what is the nature of the prices charged by the oil companies and how much profit they are taking, I must say that the Government of India itself has no idea as to what is the actual amount of profit made by these companies. Not only that, it has no idea of what is the actual amount of money being transported from this country by these British oil companies every year. The other day the Finance Minister told the House that Rs. 27 crores was the total profit made by the foreign companies in India and being taken away. I really fail to understand how the Finance Minister could say that Rs. 27 crores were being taken out when his colleague told this House on the 24th May 1957 that he had no idea—the Government of India had no idea and the Reserve Bank had no idea—as to the total remittances of profit by the Burmah-Shell Oil Storage and Distributing company. For the purpose of recollection of the hon. Minister, I shall read out the relevant portion:

"The data are primarily based on the information contained in the monthly returns filed by these companies with the Bank's exchange control department. No information is available in respect of remittances, if any, made by the Burmah-Shell refinery as the company commenced filing returns only from January 1957. As regards the Caltex refinery, it is reported that the operations

commenced only a short while ago so that no information is as yet available".

To my question as to what the total profit made by the companies in 1951 was, the Minister did not give an answer as far as the Burmah-Shell, which controls 80 per cent of the petroleum business in India was concerned, but he gave the answer as far as the Standard Vacuum and Caltex were concerned. When we calculate on the basis of the total proportion of business being done by Burmah-Shell, which does 80 per cent of the business—the Standard Vacuum does about 12 per cent of the business and the Caltex about 8 per cent of the business—you can very easily find from the figures of profit given by the hon. Minister in respect of Standard Vacuum (Rs. 1.53 crores) and Caltex (Rs. 1.29 crores), that the profits made by the Burmah-Shell from their supplies in India on a reasonable and proportionate basis comes to Rs. 12.24 crores. When the total remittance made by these oil companies thus comes to Rs. 14 crores and this, according to the Finance Minister's accounts, counts for 60 per cent of the total remittance made by the oil companies from this country, we are afraid that the situation is too late to be looked into.

When we talk of the profits made by these companies, it is not the companies alone taking the profits uncontrolled by the Government, because petroleum prices are not fixed by the companies but are fixed in agreement with the Government. Every time petroleum prices are reviewed and increased, the companies get the sanction of the Government of India. For about 20 years these prices are being fixed by the Government and when we look into the matter as to how these prices are fixed, we certainly can explore the possibilities of going into the depth of the secret which my hon. friend, Shri S. V. Ramaswami, called a real secret. The price of petroleum fixed here is

quite funny. The motor car driver in Delhi fills up his tank with two gallons of oil and pays the Delhi price of that oil. That price which is being given has got no relation to the cost of production of that petroleum with a reasonable profit that the companies are making as the hon. Minister said last year. Irrespective of the total cost of production of a gallon of petrol, irrespective of the transportation charges to the port wherefrom it is pumped out to Delhi, irrespective of the expenses that are incurred by the refining and controlling companies on that, the companies have fixed a phantom price. In the continent it has legitimately been called a phantom price. The price is fixed in comparison with the Gulf parity prices.

I think everybody knows and the House is quite well aware that they are giving a price to that petroleum, a fictitious price, a price of that fictitious petroleum which never runs from the Central American Oil Refineries to the port of Houston in Mexico and when it comes there the actual cost that is incurred there in the refining project in the market, the high cost of labour which is paid in America—60 dollars a week and not the Rs. 6 paid here—along with the transportation cost from Central American places to the port of Houston, the high tankerage for taking it up to the port of Bombay plus the high transportation cost to bring it to Delhi, plus all the expenses incurred by these big offices of the company, all the establishment charges, plus 10 per cent reasonable profit that is being allowed by the Government, all these are included in it.

It has been well established by authoritative enquiry committees appointed by this Government to find out the reasons for the losses in the airways that it is due to the fictitious price of petrol that it is so. In the year 1950, the airways that were running in this country were being depleted of funds and every airway was losing and they were being threatened with liquidation. The Government appointed a Committee to

find out the causes of the losses. They did find out that the oil prices were fictitious and that the oil companies were charging prices which did not bear any relation even to the price that is prevailing in Australia which is about 2500 miles away. They found that the cost of aviation petrol per imperial gallon whose number is called 100/150 was Rs. 1|9|3 at Calcutta while in Melbourne, 2000 miles away, the same aviation petrol per gallon costs only Rs. 1|4|6.

On the 10th of August, 1956, the hon. Minister answering a question in this House said that it could be easily explained away because Australia may be nearer to the source of production of this oil. I am yet to understand whether the Minister could tell me that the aviation petrol that is being supplied to Australia by the Shell Oil Company is being produced either in Burma or any other place. Certainly not. Our cost is being calculated by this fictitious means of the Gulf Parity Price and the overhead charges the company has dictated. In Australia, instead of the Gulf Parity Price, there is some other arrangement for the fixation of this price of petroleum. We are paying a price which is far higher—the supply being from the same source—the ports of Bombay, Madras and Cochin being far nearer than the Melbourne port in Australia.

Over and above this, there is something fishy about the profit figures that have been calculated. Certainly it is high time that we have an all-India oil price. Two months ago, the Government allowed the oil companies to raise the price by one anna and a half and thus add to the colossal profits that they are making already. As Mr. Ramaswami said, are we helpless and are we prostrate before these oil magnates so that every time they want to raise the price, we say: Yes. They make more and more profits every day and the consumer is mulcted day in and day out. It may be

[Shri Narayanankutty Menon]

because this is the time when we have launched upon the construction of oil refineries and we have no alternative but to succumb to the threats of these companies to have their terms accepted.

What have we done to our own petroleum products in these areas so that our Defence may run upon the petroleum that is being made available here? It has been said on the floor of this House that the Assam Oil Company has agreed to convert the company into a rupee company and that the new refinery that is being established will be a completely Indian company.

The Shell Company are coming out in the Press with the terms of the agreement with the Government and even though it shows that the Government had not got what they really wanted, in spite of questions being asked on the floor of the House, why does not Government come out and say what are the terms of the agreement whereby they have agreed with the Oil Company to convert it into a rupee company, the extent of control that the Government of India will have upon the production of petrol by the new company? This silence which the Government of India maintains about the terms of the agreement even after months after the date when the agreement was to have been made, makes people certainly suspicious about it. Why not the Government or the Minister come out and say what is the extent of control that the Government of India has got in establishing this refinery? Certainly we feel that the old sad story of the agreements with the 3 refineries is going to be repeated, so much so we would be helpless regarding petroleum price. We would have to agree to the Company's overhead charges. What have the Government done in the matter of calculation of the overhead charges of the petroleum worked in this country? The Government were willing to allow the 70 dollars a week wage which the American workmen

get to be added to the cost of production here when the Government agreed that the price of oil for 10 years to come shall be the same. It is agreed that the price in the year 1958 shall be maintained and the profit of these companies for 10 years to come shall not be affected. What has the Ministry done to safeguard the interests of the petroleum workers here?

Not only has the Government done nothing; but, in the year 1954, when the petroleum workers wanted that there should be a standardisation of wages—not the 70 dollars a week of the American workmen—this Ministry interfered and said that because the foreign oil monopolists are here we were not proper in discussing this matter. They did not do anything to save the interests of labour in this direction of the price of petroleum. Government is callously negligent and they refuse to talk.

Because this fictitious price is there, another fictitious thing is happening throughout our country. They are increasing the overhead charges by paying officers brought from abroad fabulous salaries. For every one anna they increase in the price they pay Rs. 100 more to their officers and later on they will come to the Government of India and say, we have paid our officers and, therefore, we want one anna more in the price of petroleum. They will get another 6 crores of profit in the year.

Shri Ranga: What shall we do?

Shri Narayanankutty Menon: My friend, Shri Ranga says: What shall we do? I will answer that.

Mr. Chairman: Very briefly.

Shri Narayanankutty Menon: Very briefly and conclude, Sir.

What shall we do in the year 1957? The time has gone because as the hon. Minister said in the debate in this House in 1954, the agreement is for ten years. We shall not do anything

and the hon. Finance Minister's international morality in commerce and industry is there. Therefore, we shall not go against this agreement.

In the Report of this Ministry it has been said that the Soviet Government offered Rs. 60 crores for the construction of a refinery and the Government of India is considering that proposal. My suggestion is that instead of dabbling with these Shell Group of Oil Companies which politically and in the international sphere are completely against us, instead of handing over the crude oil that we get from Assam to these companies and making them a small monopoly Assam Oil Company for running this in the private sector, what prevents the Government from accepting this offer of Rs. 60 crores to start a refinery in the public sector, and refine the crude oil into petroleum.

The total capital outlay of the three so-called big refineries of the Burma Shell, Caltex and the Standard Vacuum Companies is about Rs. 63 crores. If this proposal which the Government says they are considering is accepted, with that we can construct a refinery which will be capable of producing far more petroleum than the 3 oil refineries are producing. It is not too late even now and if Shri Ranga is serious, it can be expedited. The Government has not finalised the contract with the Assam Oil Company. Why not then start a refinery in the public sector and see at least a very small portion of the petroleum requirements of the country is met here. It is vital to the defence of our country and for that we need not depend upon the Anglo-American companies. Slowly, in good time, we should see that we become self-sufficient in petrol.

I will conclude by placing before this House the sorry state of affairs in which we find ourselves today. No other country in the world depends so much upon the import of petroleum for its needs of fuel and power for transport and defence but because of the past history and the utter callousness on the part of the Government

and the unsupported arguments by those in charge and by those who are called upon to answer on the floor of this House and their sheer hypocrisy, we are not able to meet the needs of the country even to some reasonable extent and the people in the country were not told of the needs of our country but were kept ignorant of the views that are taken under their very nose and with the connivance, help and sometimes active co-operation of the Government.

The Minister of Finance (Shri T. T. Krishnamachari): Anyway, there is active prompting from behind and what does it matter?

Shri A. C. Guha (Barasat): Sir, while supporting the Demands for Grants of this Ministry and also appreciating the works already done, I shall say a few words about things which are not quite clear and which, I feel, would stand in the way of implementing the programme. I shall confine my remarks, if not solely, primarily to coal. The Planning Commission says that in view of its basic importance as fuel for a variety of industries and also as a raw material for industries like iron and steel, coal carbonisation, etc. coal must claim first attention.

I come from West Bengal which is perhaps the biggest coal-producing area in the country. West Bengal and Bihar combined is one coal area which produces about 80 per cent. of the coal; qualitatively too, it produces the best coal. In the Plan, it has been said that by the end of 1960-61, our coal production would reach the figure of 60 million tons from 38 million tons in 1955-56. That means an increase of 22 million tons during the course of the Second Plan. Of this, ten million tons will have to be produced by the private sector and 12 million by the public sector. Under the industrial policy declaration of April 1956, no new units of coal production will be given to the private sector but the private sector is allowed to expand its production.

[Shri A C Guha]

My apprehension is that the Government has not taken any concrete step for the production of 12 million tons in the public sector during the Plan period. In the administrative report, on page 43-44, are given some of the difficulties which come in the way of the development of colliery areas by the public sector as envisaged, but nowhere in the report have I found any mention as to the progress made in this direction. Rather, we find that in Bokaro areas, the production of coal was going down and there was a drop in the production of the collieries in the public sector starting from the year 1952-53. The other centres that are to be developed would be the Korba region from which the Government has an idea to take about four million tons of increased production, from Singareni region, the figure being 15 million tons and Jhilmili area, the figure being three million tons. There are some other areas from which they expect to get another two million tons.

One of the difficulties mentioned in the report was about the acquisition of mining lease and survey rights over the land required. Only recently, an Act was passed to remove that, and the hon. Minister will agree that it would take a few years for a colliery to yield coal, it has to be developed and worked. I do not know if the hon. Minister will tell us that by the end of 1960-61, it would be possible for him to get four million tons more from Korba region, for which particular region that Act was passed.

I expected that the hon. Minister would make the position clear as to what the Government intend to do regarding the target of sixty million tons. According to the 1956 industrial policy, no new units will be allowed to be set up in the private sector. So, all that has to be done by the public sector. That is the accepted policy. At the same time, the target of 60 million tons is of vital importance. It is perhaps the minimum that would

be required for our industries. Moreover, we find from the Plan that the increase of 22 million tons would require an investment of about Rs. 60 crores. I think that is a very modest estimate. Under the present circumstances, the Ministry may not consider this to be sufficient for the purpose.

Even then Rs. 60 crores was not provided for this purpose, they provided only Rs. 40 crores. Whether this is just a financial reservation or a mental reservation also as to the target to be reached in the public sector, Sir, I have my doubts about that. From the amount fixed for this achievement and also the way they have been proceeding, it is doubtful whether the Government would be able to achieve this target.

As my friend Shri T. B. Vittal Rao has mentioned in his speech, only 0.2 million tons of increased production has been effected in the public sector whereas in the private sector I find there has been some considerable progress.

Production during the first five months of this year is 18.30 million tons, and if this rate of production continues it is expected that this year there will be a total production of nearabout 44 million tons, which means an increase of nearly 6 million tons over the 1955 production. Practically the whole of this except a very small fraction will be achieved by the private sector. As I have already said, even from the Administration Report it can be seen that in the Bokaro area, which is working in the public sector, the production has already been going down instead of increasing.

Then, in the Plan there is a programme for establishing some washeries. All the committees set up on collieries even from 1937 have recommended washing and blending. There may be abundance of coal in India to last for a number of years but not of metallurgical coal. Its conservation is necessary.

Shri Jadhav (Malegaon): Sir, may I point out that there is no quorum? It has become a fashion

Mr. Chairman: The bell is being rung—Now there is quorum The hon. Member, Shri Guha, may continue his speech

Shri A. C. Guha: Sir, I was just referring to the problem of establishing some washeries Every committee set up on the coal industry has recommended coal washings as also blending In the Second Five Year Plan there is a programme of establishing some washeries in the public sector I find from the report that there is a proposal to have a washery in the Bokaro area The contract has been given to a Japanese firm It is stated here, the original scheme was that this washery would be installed and commissioned into working by 1st January, 1958 I do not think the hon. Minister is still hopeful of achieving this by that date I shall rather be glad if this washery comes into operation even within the year 1958

In the Plan there is another proposal to have a washery in Durgapur, of which there is no mention in the report Perhaps no action has been taken as yet

These two washeries are to supply good quality coal, metallurgical coal to the three steel factories that are being set up in the public sector I hope the hon. Minister will make the position clear whether these washeries will be ready before the steel factories start working, otherwise there would be difficulty and it may delay the working of the steel factories also

Mr. Chairman: The hon. Member must conclude now

Shri A. C. Guha: How much more time will be allowed to me, Sir?

Mr. Chairman: I have to call two hon. Ministers, one at 16.15 and the other at 16.45, to reply There are three more hon. Members who want to speak

Shri A. C. Guha: I will finish in five minutes

As regards blending nothing has yet been done, there might have been some thing on an experimental stage, but nothing on a commercial or practical stage as yet That is what we find from the report on the amalgamation of collieries That is, again, another interesting subject According to that report most of the collieries, particularly in Bihar and Bengal, i.e. 666 out of 734 collieries, are small collieries producing less than 10,000 tons of coal per month and, therefore, all those collieries should be amalgamated. This is not the first time that such a report is made Such a recommendation has been forthcoming from many other committees, including the Coal-fields Committee of 1948 I expect that a Government Bill on this subject will be coming before us at an early date.

As there is not much time at my disposal I do not like to take up many other subjects I just want to refer to stowing, which is a very important factor in coal industry Out of 830 collieries only 89 collieries have done stowing, yet I find in the Coal Board's report that there is at present with the Board a balance of Rs. 1,75,00,000, the last year's revenue was Rs. 1,70,00,000 and the expenditure was only Rs. 58,00,000 Therefore, what is the difficulty about stowing? It is not want of funds The Coal Board is to help the collieries in the matter of stowing I find from the report that there has been some difficulty about procuring sand, particularly due to D V C I think that should have been envisaged It is not just a temporary difficulty It is apprehended to continue What is the Government's programme in this matter? Will they abandon stowing?

I find the Coal Board has put a ban on depillaring in some of the collieries which will again mean that the production of coal will go down

There is another thing I know it does not belong to this Ministry, but I think the Minister or the Ministry should take some interest in the Coal Mines Labour Welfare Fund An

[Shri A. C. Guha]

excise duty of six annas is collected on every ton of coal. There is a balance of Rs. 5,53,00,000 lying with them. From the report I find that there are only two central hospitals with 122 beds and 165 beds in each of them.

There are four or five regional hospitals with, I think, 18 beds in each of them, and the number of colliery workers will be near about 3½ lakhs. With such a huge fund at their disposal, I do not know why they do not increase the hospital facilities. With about 3½ lakhs of workers, the hospital facilities consist only about 400 beds,—I think it must be below 500. I want the Minister, though this does not belong to his Ministry, to take up the matter with the relevant Ministry and see that whatever money is collected from the consumers is properly utilised. It is not intended for investment in some bank and for getting an interest.

Similarly, I should like the Minister to look into the utilisation of the fund of the Central Coal Board. I think under the Act, up to Re. 1, the excise duty is permissible. I do not know what they are collecting now. I think it is eight or nine annas which was originally fixed. I am not sure what is the amount that is collected now.

Then I find there are too many authorities for the collieries. Though the Planning Commission has given the utmost importance to coal among all the minerals, I think the Government have not treated coal with sufficient importance and care. During the last five or six years, coal has shifted from one Ministry to the other. I think this is the third time that it has shifted its place from one Ministry to another. Fortunately, at least one Minister has kept himself attached to it and has stuck to it though the Ministry might have changed.

I think the Minister may also look into this matter as to why there should be so many authorities for coal. There is the Bureau of Mines; there

is the Coal Board; there is the Controller of Coal; and then there is the Indian Coal Council. I find they have recently set up a Coal Council of India for co-ordinated actions. I do not know why so many authorities are necessary. What will the other bodies do? The Coal Board has got almost omnibus powers under the Act and I also find from the report that even the opening of new seams or new collieries would require the permission of the Coal Board. So, it has got all sorts of authorities in addition to conservation and safety measures. So, I think they should try to rationalise the functions of all these authorities. There are also several Acts operating in the colliery areas. That aspect also must be looked into.

I think I have tried to draw the attention of the Minister to some of the important matters. I hope he will look into these things and specially in the matter of training. There are four training centres to be started. I learn that three have been started already. Where the fourth is located I do not know. But I am not sure about the quality of the training given there. I think only a sort of haphazard training has started. The Minister may kindly look into the quality of the training so that the proper personnel, with proper technical qualification, may turn out of those training centres.

I again appreciate what has been done so far in the field of coal and other minerals, but I expect that the hon. Minister will clarify the position as regards the target of 22 million tons of coal as the increased production and how far it would be possible for the public sector to achieve that target.

Before concluding, I would like to draw the attention of the Minister to the oil exploration in West Bengal. I hope the hon. Minister may give us some indication as to the possibility of getting oil in West Bengal and that he would make his earnest endeavour in this matter and expedite it.

Shri Nausht Bharucha (East Khan-desh): I propose to confine my observations to the question of steel production. This House has rightly felt keen on the subject of the production of steel and reaching the six-million-ton target which, in my opinion, having regard to the progress so far made, seems a difficult objective to attain.

There is one thing which is disconcerting with regard to our projects of production of increased steel. As has been already pointed out by one of the hon. Members, the cost of construction of the three steel plants at Rourkela, Bhilai and Durgapur has been mounting up. It is rather surprising that the revised estimates reveal an increase of nearly Rs 90 crores. But what is still more surprising is that this additional increase of Rs 90 crores does not take into consideration the cost of township which would be necessary around all these plants, nor the cost of iron ore or the railway link connecting the iron ore deposits with the steel plants, nor the question of lime-stone quarries, nor the drilling schemes, nor the raising, handling and the haulage of coal, nor the internal railway tracks necessary for a steel plant. Outside these, there is an increase of Rs 90 crores on the steel plants only. I do not know when we shall have another revision of these estimates.

My experience has been this. I have had occasion to deal with some major works in the Bombay Municipal Corporation where first a small estimate is made, administrative sanction is taken, and then the estimates are revised beyond recognition. Now, so far as this question is concerned, an increase of Rs 90 crores means quite a lot. It involves so much of foreign exchange, I believe, to the tune of nearly Rs 50 crores.

In the first place, we are told that the Rourkela plant which was to cost Rs 128 crores will now cost Rs 170 crores. It will have certain major sections, first the coking plant with

a capacity of 1.6 million tons of coal. I should like to ask the hon. Minister in charge how it is possible for a coking plant with a capacity of 1.6 million tons to produce 750,000 tons of steel. Because, I was looking into the techniques of steel production, and I find one observation made:

“The amount of coke needed varies with the nature of the burden on the furnaces, the type of iron being produced and the efficiency of the plant. The average consumption in British furnaces is about 22 cwt of coke, equivalent to 33 cwt of coking coal per ton of iron.”

If this is the experience of the countries which have been producing steel for quite a long time, I would like to know how, in the Rourkela plant, with a capacity of 1.6 million tons of coking plant, it is possible to produce 750,000 tons of steel.

Secondly, I should also like to know some other details about this plant where the Lenz and Donawitz process, known as the L. D. process of oxygen blowing is to be followed. Why is it that when it is claimed that this L. D. process makes for lower capital cost and operational costs and higher rate of production, the Rourkela plant costs us nearly Rs 40 crores more than any other plant, compared with Bhilai plant, the original cost of which was Rs 110 crores and which is revised to Rs 138 crores? How is it that the Bhilai plant is scheduled to produce more at low capital cost, than the Rourkela plant which is supposed to use this L. D. process that makes for lower capital cost and lower operational cost and greater production efficiency? That is a point which I would require to be explained, because I am not quite satisfied that this capacity of coking plant will give the desired results.

Coming to the Bhilai plant which has been revised to Rs 138 crores, I would like to know what has happened so far to this project and how far we have proceeded. We have got very limited information in the reports

[Shri Naushir Bharucha]

which has been handed over to us. I think a more detailed explanation is necessary as to the extent to which we have been proceeding. It has been claimed that the preliminary works of the township have been executed or are under construction. It means nothing. We do not know exactly what is happening, how the construction is proceeding, etc. I should like to know whether any orders have been placed for any of the major sections of the steel plant.

With regard to the Durgapur plant, the estimates of which have also been revised from Rs. 115 crores to Rs. 138 crores, and to which in this financial year we are allotting Rs. 35 crores. I should like to know how far we have proceeded. We find that there is some contract entered into with the British consortium for the supply of equipment, but I would like to know what are the conditions of entering into this contract, whether we are going to be given particular exchange facilities or any deferred payment facilities for this particular plant.

We have in this country some steel plants, for instance, the Tata Iron and Steel Company, from whom we expect a production of 2 million tons. We have got the Indian Iron and Steel Company and small works at Mysore. We are told that between them they will take Rs. 115 crores within the next five years for their development. We are also told that the Tatas have so far withdrawn Rs. 10 crores. I am not quite clear in my mind as to what is the total amount allotted to these existing steel projects in the present Five Year Plan and at what rate it is being withdrawn. We are told in the report that the Tatas will attain the first Plan target in 1958. Mind you, the first Plan target will be attained in 1958. What type of Five Year Plan is it which begins in 1951 and ends in 1958? I should like to know, at this rate how are the Tatas going to attain the target of 2 million tons? What is the rate at which they are consuming the allotted amounts? It seems to me that the progress is extremely slow.

There are other matters of a technical character, on which I think this House should have been enlightened. But it appears that our reports and the brochure on steel, mines and fuel, which has been recently issued to us, contains a very tantalisingly scanty account of what is being done. They conceal more than what revealed. For instance, we have not got the slightest idea as to what is going to be the by-products, to what extent these by-products are going to be used, etc. We are told briefly that coal tar, ammoniac liquor and benzol will be the by-products. We are also told that the L. D. process will release a considerable amount of nitrogen, which can be used for conversion into fertilizers. I should like to know a great many details about this matter, whether, in the first instance, sufficient arrangements have been made for the use of gases generated in the furnaces, because,—again I am quoting from the book which deals with processes of steel manufacture—it is said:

"The important factor in the open-hearth process is the generation of gas for heating, which is commonly done in a producer gas plant by burning of coal. It is in the production of gas for steel furnaces that the most striking fuel economies are possible"

An Hon. Member: What is the name of the book?

Mr. Chairman: The hon. Member may give the title of the book and the page number.

Shri Naushir Bharucha: The book is entitled *Steel—The Facts* by Henry Owen, page 17. In view of the fact that the previous speaker pointed out that we are not likely to reach the required productive capacity of our coal mines, I am asking what is being done for the conservation and utilisation of the gases with the object of effecting economy in fuel consumption in the manufacture of steel. It is an important issue, because if the hon.

Minister studies this problem in greater detail, he will find that these gases constitute a very great resource of fuel and particularly will make up for the default that we might commit in the mining of coal.

I should, therefore, like to know in connection with all the three steel plants, as to in how many cases specifications have been prepared for major equipment and in how many cases the supplies have been shipped or are in transit or have been received. In particular, I should like to know what arrangements we have made for the foreign exchange necessary to meet the shipping of equipment, whether we will be in a position to provide sufficient foreign exchange for that purpose, because let us appreciate this fact that nearly half the amount that we devote for the steel plants will be in the nature of foreign exchange. Rs. 90 crores is already the revised estimate and I do not know how many more crores it will be by the time we finish. I should like, therefore, to have the information on this point.

Again, with regard to the by-products also, I should like to have greater and detailed information and to what extent they will help us. I should also like to know whether it is possible to give us a *pro forma* profit and loss account in respect of these plants on the basis of facts and figures that we have at present. We must have some idea of the precise exportable surpluses that we shall have, because the ideas of hon. Members differ so widely. I should like to know what is going to be the exportable surplus, taking into consideration the potential demands and whether the cost of production will really be Rs. 400 per ton, or just as there is revision of capital costs, there will again be a revision of the production costs and then we shall be told that it is not Rs. 400 but Rs. 600 per ton. I should like to have this information in detail.

There is one suggestion which I would like to make to the hon. Minister. I would like him to have a film prepared, a sort of a documen-

tary, showing how steel is being manufactured, showing the various processes and also showing what progress is being made in the Rourkela, Bhilai and Durgapur and other plants. I think it will be in the nature of some education for hon. Members, because it is not possible for all hon. Members to go into a deep study of the processes of steel production. If such a documentary is prepared at a cost of few thousands of rupees, it will enlighten the Members of the House.

I hope the hon. Minister will, in the course of his reply, answer all the points which I have raised.

श्री पद्म बेव (चम्बा) : माननीय समापति जी, मैं आप को बहुत धन्यवाद देता हूँ कि आप ने मुझे समय प्रदान किया। देश के हर उस व्यक्ति की, जो कि देश का हित चाहता है और देश के लिये कुछ करना चाहता है, यही इच्छा है कि देश को समृद्धि-शाली बनाया जाये। इस समय देश में हुए बहुत से कार्य आरम्भ हुए हैं—चाहे वे भूमि के सम्बन्ध में हों या बिजली सम्बन्धी। हमारा देश हर तरह आगे जा रहा है, किन्तु मैं समझता हूँ कि खनिज पदार्थों के सम्बन्ध में बड़ी तेजी के साथ काम नहीं हो रहा है और यह मैं इस आधार पर कहता हूँ कि यद्यपि हिमाचल के सम्बन्ध में यह कहा जा सकता है कि उस के गर्भ में परमात्मा ने अनेक सम्पत्तियाँ गुप्त रूप से रखी हुई हैं, किन्तु अभी तक उन को बाहर लाने का प्रयत्न नहीं किया गया है। सब से पहली चीज, जो मैं वहाँ पर विशेष रूप से देखता हूँ, नमक है। जब से पाकिस्तान से नमक आना बन्द हुआ है, तब से मैं सोचता था कि हिमाचल का नमक कम से कम उत्तरी भारत के लिये तो पर्याप्त होगा। किन्तु जिस गति से इस वस्तु वह नमक निकाला जा रहा है मुझे यह कहते हुए खद होता है कि वह बहुत थोड़ी मात्रा में निकाला जा रहा है। जिस तरह से अन्न के लिये कोशिश की जा रही है कि इस की पैदावार को बढ़ाय

[श्री पद्म देव]

काश्च बैसे ही नमक को ज्यादा मात्रा में निकालने जाने का प्रबन्ध किया जाना चाहिये। हमारा ख्याल तो यह था कि जो नमक वहाँ से निकाला जाता है उससे सोडा ऐश और कास्टिक सोडा भी तैयार किया जाएगा लेकिन इस धोर इस समय कोई खास ध्यान नहीं दिया जा रहा है। मैं सरकार से इस सम्बन्ध में यह प्रार्थना करना चाहता हूँ कि वह इस धोर अधिक ध्यान दे और इस बात की सम्भावना पर विचार करे कि समुद्र के नमक की बजाय वहाँ पहाड़ से निकला हुआ नमक जोकि खाने के लिये भी ज्यादा लाभकारी है और सस्ता भी, किस तरह से और अधिक मात्रा में निकाला जा सकता है। यह नमक केवल मंडी में ही नहीं है बल्कि चम्पा की तीसा तहसील में भी इस किस्म का नमक बहुत भारी तादाद में मौजूद है लेकिन इस के सम्बन्ध में कोई खोज नहीं की जा रही है। इस तरह से जितनी भी लाभकारी वस्तुएँ हैं वे आज भूगर्भ में ही निहित हैं और उन से कोई विशेष लाभ उठाने की कोशिश नहीं की जा रही है। इस बास्ते आज ज़रूरत इस बात की है कि सरकार इन से पूरा पूरा लाभ उठाने का प्रयत्न करे।

16 hrs

आज हमारे देश के अन्दर लोहे के बड़े कारखाने बनाये जा रहे हैं और मैं इस बात को मानता हूँ कि लोहे के अमर हाँ हमारे देश की भावी समृद्धि निर्भर करती है। हिमाचल के अन्दर दो जिले, मंडी और महासु, ऐसे हैं जहाँ बहुत भर्सा पहले शायद जब से लोहे का इस्तेमाल शुरू हुआ था, तब से ही वे लोग लोहा निकाला करते थे और उस को अपने इस्तेमाल में लाया करते थे। बल्कि मुझे याद है कि जब मैं पढ़ा करता था तो उस वक़्त भी हमारे यहाँ लोहा बिका करता था। लेकिन जब से रेलों का लोहा चालू हुआ है और लकड़ी की किल्लत हुई है तब से चूँकि वहाँ

का लोहा मंहगा पड़ता है, इस लिये लोगों ने इस को बनाना बन्द कर दिया है। जब इस समय देश को लोहे की बहुत अधिक ज़रूरत है, मैं भारत सरकार से प्रार्थना करूँगा कि वह वहाँ की खानों को भी देखे जो बहुत भर्सा पहले चालू थीं त कि उनसे भी अपने बोधा के लिये कुछ लाभ उठाया जा सके। मैंने हिमाचल के दो जिलों का ही नाम लिखा है लेकिन मैं आप को बतलाना चाहता हूँ कि दूसरे जिलों में यदि खोज की जाए, तो बड़ी मात्रा में लोहा प्राप्त हो सकता है और काम में आ सकता है।

अब मैं उस चीज़ के बारे में कुछ अर्थ करना चाहता हूँ जिस का कि हमारे देश में बहुत व्यापार है और वह है अन्नक। कितने ही सालों से वहाँ से अन्नक इधर लाई जाती रही है और उसका व्यापार होता रहा है। ठेकेदार उसके लिये रक़े जाते थे। मुझे मालूम है कि जब मैं हिमाचल में इंडस्ट्री का मिनिस्टर था, उस वक़्त बंगाल से कुछ लोग वहाँ पर अन्नक की तलाश में गए थे और उन को जितनी सुविधायें हो सकती थी, दी गई थी। उन्होंने कहा था कि अन्नक वहाँ बहुत बड़ी मात्रा में मिल सकती है लेकिन सब से बड़ी मुश्किल यह यह है कि वहाँ से उसको शिमला तक पहुँचाना या रेल तक पहुँचाना बहुत मंहगा पड़ता है। इसलिये मेरी सरकार से प्रार्थना है कि वह इस धोर भी ध्यान दे और वह काफी मात्रा में वहाँ उपलब्ध हो सकती है और इस की आज हमारे देश में बहुत ज्यादा ज़रूरत है। इससे हमारे देश को डालर भी प्राप्त हो सकते हैं।

एसबीस्टोस का बहा एक पहाड़ है जिस का नमूना कई बार भारत सरकार को भेजा है और उस से प्रार्थना की गई है कि उस से लाभ उठाया जाए। लेकिन जैसा मैंने आरम्भ में कहा है कि यह कार्य बड़े मुस्त अंग से किया जा रहा है। एक कामकाजक

चीज जो बड़ा पर प्राप्त हो सकती है उसकी धोर तो आप को जल्दी ध्यान देना चाहिये वा । इस बास्ते मेरी सरकार से प्रार्थना है कि वह इस धोर भी ध्यान दे धोर इस से लाभ उठाने का प्रयत्न करे ।

एक चीज की भाज यहा पर बहुत चर्चा हुई है धोर भाज हमारे देश को हो नही बल्कि सारे ससार को बडी जरूरत है धोर वह है तेल । अभी हाल ही में जब हम हिमाचल में लडक बना रहे थे तो दरिया सतलज के किनारे एक डेर नामक जगह है वहा जब जमीन को खोदा गया तो वही से मिट्टा क तल क बू झाई । जब उस जम न को धोर बोड, गह-1 खोदा गया तो वह ज्यादा तेज हुई । चुनाचे उसका एक नमूना हमने भारत सरकार को भेजा । यहा से उत्तर मिला कि तेल गिरा हुआ है । इस का एक नमूना हमने देहरादून भी भेजा धोर वहा से हमें मालूम हुआ कि इसके धन्दर मिट्टी का तेल है धोर इस से हमारा ख्याल हुआ कि यहा भारी खजाना होना चाहिये। हमें यह भी बताया गया कि मिट्टी का तेल बहुत नजदीक मिल सकता है धोर कुछ दूर जाने पर पहा पेट्रोल मिलने की सम्भावना भी हो सकती है । अगर आप देखें तो आपको मालूम होगा कि सतलज के किनारे पर एक जगह है जिस का नाम सरान है । यहा बर्फ गिरती है धोर पानी ठडा है । उसके किनारे पर बहुत बर्ब चरमे है । वहा से आप सानी धाते हैं, पुल तत्तापानी, यहा पर सतलज का ठडा पानी आपको मिलेगा लेकिन इस के साथ ही साथ उस के किनारे पर गर्म पानी के चरमे भी । जैसे जैसे थियो मे दरिया बढ़ता है वैसे वैसे ये चरमे भी बढ़ते रहते हैं । अगर वहा से आप आगे आयेंगे तो वहा पर एक डेर नामक स्थान है जहा पर तेल पाया जाता है । यह दरिया का किनारा है धोर उसके नजदीक ही थोडा नीचे पेट्रोल खानसानी से मिल सकता है । मैं कोई वैज्ञानिक नहीं धोर इस के बारे में ज्यादा जान भी नहीं रखता हूँ लेकिन मैं इतना अनुभव

कह सकता हूँ कि जो नमूना हमने देहरादून भेजा था, वहा से हमको इस की जानकारी प्राप्त हुई थी धोर उसो के आधार पर मैं ये सब बातें कह रहा हूँ । मैं चाहता हूँ कि सरकार इस की खोज कराये । इस समय आप ज्वालामुखी में एक्सपेरिमेंट कर रहे हैं धोर वहा से परिणाम जब निकलेंगे तब निकलेंगे लेकिन वहा पर तो आप बहुत नजदीक ही पेट्रोल प्राप्त कर सकते हैं । मैं चाहता हूँ कि सरकार कुछ पैसा खर्च करके इस कार्य को यदि प्रारम्भ करवायेंगे तो बहुत ही मतोषजनक परिणाम सामने आयेंगे ।

शिमला मे आइरन पाइराइट्स मिलता है । एक व्यक्ति ने जिस का नाम डा० केदारनाथ है दौरान जग में खुद कोशिश की थी धोर इस मे कुछ पैसा भी कमाया था । वहा पर इसका एक पहाड है धोर भारत सरकार के साथ इस के बारे में लिखा पढी भी की गई थी धोर उमने प्रार्थना की गई थी वह इस को सम्भाले धोर इस से गश्क निकल सकता है धोर इस को निकालने क प्रयत्न करे । धोर भी खोजें निकल सकती होगी जिन को यदि कोशिश की जाये तो निकाला जा सकता है । इसी तरह धोर भा कई किस्म का चर्बे हो सकती है जो कि वहा जमीन के नीचे पाई जाती है । जिन का पता खुदाई करने पर ही बन सकता है । लेकिन जो चर्बे मैंने आप को बतलाई है वे ऐसी है जिन के बारे में मैं कह सकता हूँ कि वे वहा मिलती है । अब कितनी मात्रा में ये मिल सकती है धोर कितना खपया खर्च करके पर मिल सकती है इस चीज का पता जमाना सरकार का कर्तव्य है । अगर इन कामो को हाथ में लिखा गया तो इससे कई फायदे होंगे । एक फायदा तो यह होगा कि वहा पर जो लोग चाहिस्ता चाहिस्ता बेरोजगार होते जा रहे हैं क्योंकि वहा की जमीन उपजाऊ नहीं है, उन को रोजगार मिल जाएगा धोर दूसरे वहा पर धावादी के बढ़ने के साथ साथ जो बेरोजगारी है वह भी कुछ हद तक

[श्री पदम देव]

खत्म हो जायेगी। दूसरा फायदा इसका यह होगा कि हमारे देश की दौलत बढ़ेगी। आज सरकार की नीति यह है कि वह हर एक काम खुद करना चाहती है। लेकिन जो आज देश के अन्दर हमें अनुभव प्राप्त हो रहा है उससे पता चलता है कि जितने भी काम सरकार स्वयमेव करती है, उन सभी कामों में प्रायः घाटा ही रहता है। क्यों घाटा होता है, यह मैं नहीं कह सकता। हमारे यहां पर ट्रांस्पोर्ट के काम को सरकार ने अपने हाथ में ले रखा है। जब इस को प्राइवेट लोग चलाते थे उस वक्त वे काफी पैसा कमाते थे लेकिन जब से सरकार ने इसे चलाना शुरू किया तो कोई ज्यादा नफा नहीं हो रहा है। अब सारी चीजें नैशनलाइज हो रही हैं और मैं समझता हूँ कि इन्हे किया भी जाना चाहिये। लेकिन इस बात का परिणाम क्या हो रहा है, वह भी हमारे सामने है। इस लिये मैं यह सोचता हूँ—मालूम नहीं कि यह आपकी बात जंचे या न जंचे—कि अगर हमें देश के अन्दर लोहा निकालना है और सरकार के पास बड़ी भारी मैशीनरी इत्यादि नहीं है कि वह इस काम को कर सके और इस काम को प्राइवेट लोग करने के लिये तैयार हो, तो उन को इसे सौंपा जाए और उन को प्रोत्साहित किया जाए। इससे हमारे देश की ही दौलत बढ़ने वाली है और जब दौलत बढ़ेगी तो वह हमारे हाथों में ही आयेगी, लन्दन वगैरह दूसरे देशों में तो चली नहीं जायेगी। सरकार जब भी चाहे इस सब चीज को कानून बना कर अपने हाथ में ले सकती है। मैं समझता हूँ कि जो लोग प्राइवेट तौर पर ऐसे काम करना चाहते हो, उनको काम करने का मौका देना चाहिए फिर चाहे यह तेल का काम हो या गंधक का हो, अग्निक का हो या नमक का, ये सारी चीजें लोगों के फायदे के लिये हैं। मैं सब चीजें देश के अन्दर रहने वाली हैं और इन से देश की दौलत बढ़ेगी और देश

की समृद्धि और वृद्धि होगी और देश अग्रे बढ़ेगा।

सभापति महोदय, मैं आप के सामने यह अर्ज कर रहा था कि इस और ज्यादा प्रयत्न नहीं हो रहे हैं और मिनरल डेवलपमेंट वर्क स्लो है और जहां यह अनिज पदार्थ और तत्व ज्यादा तादाद में मिलते हैं वहां पर अभी जिस गति से काम होना चाहिये, वह नहीं हो रहा है।

इस के अलावा जहां तक जिप्सम का सम्बन्ध है उसके बारे में मैं यह निवेदन करना चाहता हूँ कि जिप्सम हमारे यहां बहुत होता है और पोटा के अन्दर जिप्सम काफी तादाद में मिलता है, आज यह वस्तु हमारे देश के लिये बहुत जरूरी है लेकिन उसके मिलने के रास्ते में जो सब से बड़ी बाधा हमारे सामने आती है वह ट्रांस्पोर्ट का माकूल इन्तजाम न होना है। इस सम्बन्ध में मंत्री तो कहना है कि जब एक चीज जो कि हमारे मुल्क के लिये बहुत जरूरी है हमारे यहां मिल सकती है तो उसके मिलने के रास्ते में जो भी बाधा हो उस को हमें हटाना चाहिये और उसे प्राप्त करना चाहिए। मेरे कहने का मतलब यह है कि हमें वहां पर ट्रांस्पोर्ट की उचित व्यवस्था करनी चाहिए और वहां पर सड़क बनानी चाहिये और जितनी अधिक देश के अन्दर सड़कें बनेगी उतना लोगों के साथ हमारा संबंध बढ़ेगा। और देश में छिपी हुई दौलत अन्वेष्य होगी और देश को लाभ पहुंचेगा। इसलिए हम यह कह कर छूट्टी नहीं पा सकेंगे कि चूँकि वहां पर ट्रांस्पोर्ट की सुविधा नहीं है इसलिए हमें ही वह देश के लिये कितनी ही जरूरी क्यों न हो, हम उस में हाथ नहीं डालना चाहते। आपको उसके प्राप्ति पर मैं जो भी बाधा हो उसको दूर करके उसको प्राप्त करना चाहिये और देश की दौलत को बढ़ाना चाहिये।

अन्त में मैं और अधिक न कह कर यही कहना चाहता हूँ कि हिमाचल प्रदेश में जो शीलत भरी पड़ी है उसको धनधर्म करके उससे लाभ उठाने का प्रयत्न किया जाय और उस को देश के काम में लाया जाय ताकि वहाँ के लोगों का भी कुछ कल्याण हो और देश भी समृद्धिवासी बने।

Shri K. D. Malaviya: I wish to confine myself to the cut motions moved and also the observations made here in connection with Demand No. 78. These cut motions and the remarks made by hon. Members, both the opposition and on my side, have reflected a genuine desire of the House to go ahead rapidly with the mineral development programme and to point out the lacuna which, according to them, should be removed rapidly.

In all countries which are endowed with natural resources the survey work for minerals has to be a continuous process and it is not likely that the discovery of all the mineral resources and the development thereof could be taken up simultaneously, expedited or could be conceived of in a short time. As we go on with the discovery in a preliminary sense, we are attracted more towards intensive search and this process of preliminary and intensive search for minerals and other natural resources is a continuous and never-ending process so far as a big country is concerned. I would, therefore, like to assure the hon. Members who wanted us to expedite the programme of survey that we are doing all that is possible for us—I am speaking both on behalf of the Geological Survey of India, with which, of late, we have nothing to do, and the Indian Bureau of Mines—and that we are looking to every aspect of this work, whether it is co-ordination of G. S. I. and I. B. M. or intensification of preliminary survey of different types of minerals. I will, therefore, not deal further with this question and will come straight to certain aspects of the suggestions made in connection with the Department of Mining.

Shri Dasappa (Bangalore): Is there not a proposal to transfer the work of the GSI, and particularly of the IBM, to the hon. Minister?

Shri K. D. Malaviya: I will refer to that question later.

I will first take up the points raised by my hon. friend, Mr. Kasliwal, because I am also very interested in non-ferrous metals. No doubt the importance of copper and the increase of demands for copper is very much before the Government. The Bihar copper venture is increasing and, if I remember aright, we are now producing slightly more than 10,000 tons of copper ingots in Bihar. Last year during the budget debate I conveyed the intention of the Government—the then Ministry of Natural Resources and Scientific Research and now merged with the Ministry of Steel, Mines and Fuel—that during the Plan period Government propose to take up the programme of copper ore exploitation and it is hoped that within this Plan period copper ore of Rajasthan will be exploited. We are pursuing that programme and even though there was some delay in the private sector during previous years, without going into those controversies I want to assure the House that the detailed prospecting work of copper mines of Dharibo and Khetri are going on with some speed. Along with that we discovered some copper at Sikkim also and the work of detailed investigation of Sikkim copper is also going on. As soon as we have finished with the detailed investigation of copper and we have proved the reserves we propose to take up the work of mining. Now, for that also we are not waiting for the results of reserves being discovered but we are already actively considering the question of finding out parties with whose help we can exploit the copper mines of Rajasthan as well as the mines in other places where we could discover copper. But I may make a general observation that according to evidence so far collected and according to the advice given by our eminent geologists we are perhaps not very rich in non-ferrous metals in our country and we

[Shri K. D. Malaviya]

are not likely to find a big discovery of either lead or zinc or copper. These sporadic finds, if they result in a major find, we will all be lucky about it. But so far as the present advice goes, it may be that we may not be quite lucky in copper, lead or zinc. Nevertheless, our search for all these non-ferrous metals continue and may be that in the newly selected area of Bastar we might prove luckier and find a larger deposit of copper or other non-ferrous ore.

My hon. friend Shri Narasimhan raised the question of training facilities for mining and metallurgical experts. We have already done that. The Indian School of Mines is expanded, and the Kharagpur Institute of Technology is also supplying a good number of technicians both for mining and metallurgical purposes. The Indian School of Mines had doubled its capacity, and we hope to further equip these institutions—the Kharagpur Institute is already equipped very well; the Indian School of Mines is proposed to be expanded and equipped satisfactorily—in such a way that our target of doubling the experts that are produced every fourth year will be realised to our satisfaction.

The main difficulties lie in our getting the type of technicians who are going to act as our teachers. It is the difficulties with regard to the teachers and the other facilities in connection with preparing the cadre, that are facing us. If we are able to solve all those difficulties with regard to getting technicians for teaching and equipping our institutions, we shall certainly consider the question of adding one more institute in the south, as has been suggested by Shri Narasimhan.

With regard to gypsum, I have just found out that a certain quantity of gypsum was imported from Pakistan till very recently, perhaps, till the month of April. I presume it is a legitimate function of two countries to carry on trade with each other, so

long as they do not start fighting with each other, or are not enemies of each other; and as such, perhaps, for certain reasons, our sister Ministry, namely the Commerce and Industry Ministry, chose that we should import some better quality gypsum from that country. However, we are not sleeping over the question of increasing our own supply of gypsum, and I suppose, the production of gypsum has increased recently, and we are supplying quite satisfactorily to our Sindri factory.

My hon. friend Shri Padam Dev complained of slow mineral developmental work going on in the Kangra Valley. I admit that the work there has been somewhat slow. We have now included the survey and the prospecting programme of certain important minerals that are reported to be found in the Kangra Valley, and soon we may be able to take up some further prospecting work either for silver or for some other allied minerals that may be found in that region.

So far as salt is concerned, unfortunately, that is out of our scope. That is being handled by the Commerce and Industry Ministry. I promise that I shall pass on the suggestions made by my hon. friend to the Commerce and Industry Ministry so that they might have due consideration to those suggestions.

I now come to the various suggestions and remarks made in connection with this very tricky and slippery business, namely the oil business. There are two aspects of this question, that have been raised in this House. One is with regard to giving Government suggestions for oil exploration programme, and criticising us for not having done work somewhere in the country, and the other is with regard to the various aspects involved in the processing of crude oil, the price factor or the location of a refinery in this part of the country or that part of the country.

So far as oil exploration is concerned, we have a very comprehensive programme; both in the north and in the south; we have our eyes set on areas which are suspected to contain oil, and which are suspected to have possibilities of finding oil. I want to be very moderate in my statements. The Cauvery delta is supposed to be of such sedimentary origin that it is worth while doing something to search for oil in a preliminary way there.

Shri Sinhasan Singh (Gorakhpur): Is there any question of surveying the Himalayan area, the Terai area and the Gorakhpur area etc.?

Shri K. D. Malaviya: I shall come to that later.

So far as the western coast of India is concerned, a question was raised as to why Government were not very particular about sending their geological parties or other oil-search parties for doing some work there.

16.26 hrs.

[SHRI BARMAN *in the Chair*].

In this connection, I was asked to say something about the German report and their assessment of the situation there. Unfortunately, the German report is not very helpful. When Dr. Schatt and his friends came here, I personally took a lot of interest and I requested them to go to the western coast and see whether the sedimentary basins were of some hope to us, so far as oil was concerned. They reported to us that the sediments were so thin there that there was not any possibility of accumulation of a large quantity of oil or even of some reasonable quantity of oil there. We do not, however, accept that as final. We have not given up the hope of finding some oil in that site also. We continue to consult oil geologists, and during the next year or so, we propose to hold consultations with experienced geologists, so that they may be able to give us some further hope about the western coast of our country.

Then, there was some criticism made by my friend Shri Viswanatha Reddy as to why we had shifted from the Jaisalmer area to the Gangetic basin. We have not shifted from the Jaisalmer area to the Gangetic basin. What we have done is to include both the areas in the programme for oil exploration. Both these areas give us some hope, and more especially, the latest aero-magnetic survey conducted by the Canadian party indicated suitable thickness of sediments both in the Upper Gangetic Valley and in the area south-west of Jaisalmer. This has given us lot of hope. The geological and geophysical investigation that was going on already in the Jaisalmer area has been intensified. So, we have not given up anything there. The geological, gravimetric and other aspects of geophysical investigations have got to be completed, and a fairly good picture has to be placed before us for a thorough assessment, by our geologists and geophysicists before we can take the risk of spending a very large amount of money for drilling. So, the programme of drilling in the Jaisalmer area might take some further time.

Before that, we propose to finish our geological and geophysical work in that area, and it might take six months, or one year or eighteen months or two years—I cannot say that off-hand and just now. But I may assure my hon. friend that there has been no shifting of work from or postponing of any work from the Jaisalmer area to any other area.

Shri Harish Chandra Mathur (Pali): Is it not a fact that in reply to a question on the floor of the House, the Minister stated that certain foreign exchange difficulties were handicapping him in the case of Jaisalmer?

Shri K. D. Malaviya: But that applies to the entire programme of oil exploration. It has nothing to do with the narrowing down or the shifting of the work from the Jaisalmer area to the Gangetic basin; perhaps about the Gangetic basin area, not much was known to our oil geologists before twelve months or so. Recently,

[Shri K. D. Malaviya]

after this Canadian survey, we have found out suitable structures in the Gangetic basin too.

Therefore, according to our policy, we included some preliminary work for search and some geological and geophysical work in the Upper Gangetic area also, in other areas where certain structures have been pin-pointed. We are arranging for parties to go there immediately after the monsoon according to our present policy of simultaneously tackling as many places as possible under our financial limitations and limitations of experienced and skilled personnel, even though we fail at one place, we might succeed in the other. Therefore, I want to remove this impression from the mind of my hon. friend that we have abandoned the programme of search for oil in the Jaisalmer area. I suppose this also meets the doubts raised by Shri S. V. Ramaswami with regard to oil exploration.

So far as separation of Geological Survey of India and the Indian Bureau of Mines is concerned, it is not a very important point from our consideration. There ought to be complete co-ordination between the GSI and IBM. It was an incident and perhaps a hurriedly decided that the GSI went over to the Education and Scientific Research Ministry and IBM remained here. If there is any difficulty which we might face in this separation, we will sit and consider the question, but so far as co-ordination is concerned, we are completely satisfied that there will be no difficulty, if the GSI remains on one side and the IBM on the other. But if there is any difficulty, we shall look into it and settle it amongst ourselves.

Now I come to the question of prices of petroleum products, location of the oil refinery in Assam and our attempt to negotiate with the Assam Oil Company to form a rupee company and also the future pattern of the proposed rupee company that is to come soon. I assure you that I am not going to be provoked by the remarks made by my hon. friends opposite,

because what I say in this connection has to be said in a very responsible way. Of course, if I had been sitting on the other side, I would have said things more provocative than what were said today. (Interruptions). But luckily or unluckily, I am on this side. Therefore, I have to make responsible statements. Hence I will be cold like steel and be impervious to all that was said this afternoon.

Shri Hem Barua: We welcome you here. (Interruptions).

Shri K. D. Malaviya: The prices of petroleum products in India are determined on the basis of a formula accepted by Government. Acceptance of this formula by Government was done under circumstances when we were eager to have a refinery or refineries in our country, and Shri Narayanankutty Menon very relevantly and pertinently pointed to those reasons that the primary objective at that time was to have a refinery in our country. An account known as the 'valued stock account' is maintained by Burmah-Shell of supplies of refined products according to this formula. The main items of the formula are varied, such as f.o.b. price, ocean freight, customs, excise, dealer's commission, oil company's remuneration upcountry subcharges and so on and so forth. It is admitted that there are many factors in the price element which are not known to us. I also admit that there may be some factors over which we may not have our agreement with the oil companies. Perhaps we do not agree with them, But the negotiations concluded between the Government of India and companies were concluded a number of years back, and there the agreement is.

Shri Jaipal Singh (Ranchi West-Reserved-Sch. Tribes): For how many years?

Shri Narayanankutty Menon: Ten years.

Shri K. D. Malaviya: There is no question of going back on it or not

honouring it, or trying to seek a modification of it by methods which might prove to be not worthy of the Government. Whether we like it or not is there. But there are ways and means to bypass unhappy things, if they are unhappy. It is precisely with that object that we have taken upon ourselves the responsibility of discovering more crude oil in this country.

I want to emphasise this point and I wish to make it quite clear that whatever we might like, whatever our sentiments might be, so long as we do not succeed in discovering as much crude oil in our country as we require for our use and so long as we are not able to refine the oil by refineries which are completely under our control, it will be difficult for us to say much with regard to this price factor. I also do not know much about it. Whether it is the VSA or BSA or MRA, I do not know. Till very recently, we did not know many of the factors involved in it. It was only recently that they gave us notice that they wanted to increase the price of finished products. We were only to be consulted about it. We were consulted. There was some price increase after the Suez crisis and we had to agree to it.

Therefore, so long as we are mainly dependent on imported crude and until such time as we produce and our refineries refine the oil, as much as we need to meet our requirements, we have no other alternative but to accept the import parity basis for the petroleum products.

Shri Narayanankutty Menon: Is there a gallon of oil that is imported into India which comes across the Suez Canal?

Shri K. D. Malaviya: I know all that. But it is out of our control, and those who impose that price have divorced it from the cost of production plus profit and all that basis. That is what my hon. friend, Shri Narayanankutty Menon, pointed out. I know all that and more than what he has said about it. It is a fact that the oil that comes to this country comes from east of Suez.

You will be glad to hear that recently we have persuaded the foreign companies to switch on from the Gulf of Mexico price to the Gulf of Persia price. We have thus effected a saving of more than Rs 2 crores on that score. Therefore, by our pressure on them both direct and indirect they accepted the proposal to switch on from the Gulf of Mexico price to the Gulf of Persia price structure. We might achieve something more but as, I said only if we produce enough crude oil in the country and if we see that our sentiments do not create problems and confusion within ourselves, then we are surely going to succeed on this oil front and going to establish that oil can be supplied to our consumers at rates cheaper than what it is supplied in other countries.

Shri Hem Barua: After how many years?

Shri K. D. Malaviya: But there is a big 'but'. I want your co-operation.

The Deputy Minister of Works, Housing, and Supply (Shri Anil K. Chanda): Very difficult.

Shri K. D. Malaviya: and the co-operation of the people. How can this happen when one does not see things in an objective way and talks with emphasis on threats and sentiments.

I do not wish in this connection to refer specifically to Shri Hem Barua who spoke this afternoon, but generally speaking, I do feel that there is some sort of loose sentiment and vague talk which is going on about the oil refinery location. We had a very cordial talk with my friends, the Ministers of Assam, when they came here. We tried to understand the view point they pressed before us and it was with a determined effort on our part to try to see that a refinery, if at all, could be located in Assam that we sat down and discussed all the problems, examined all the pros and cons and we came to the conclusion, not only in deference to their wishes, but out of our desire to be convinced, that we should have a

[Shri K. D. Malaviya]
study report about Gauhati also. It was out of our desire to be convinced that an oil refinery in Gauhati is as beneficial to the country and as much in the interest of our country as a refinery in Barauni or Lucknow or any other place, that we reached that conclusion.

So we want to be convinced. We have a completely open mind on this question. If we did not have an open mind on this question, there would have been many many difficulties which would have arisen today.

I have got a letter in my pocket which I have received from a very important friend of mine who holds a post of eminence. He gives me the advice that this question of river transport—barging the crude oil by river and transportation of the finished products by pipe, should be considered very seriously because he is convinced that it is a very feasible proposition. He appeals to us to give very serious consideration to this question of river transport. I did not wish to say anything in the past few weeks, but I wish to say today that I am the author of this scheme of river barging bringing the crude oil in the river, if possible, from Gauhati to any place where the refinery can be located. It is I who conceived for the first time even after the Expert Committee had concluded its findings. The Government started the examination of this question actively, whether the transport of crude oil by river was a feasible proposition or not. We are still at it and I personally feel that we can do it. That is my personal feeling and there are experts who do not agree with me. Therefore, I should bow to them also. I do not want to be led away by sentiments that I thought initially about the scheme. It is not that the Ministers of the Government of India do not want to listen to any man. Far from it, I want to assure my friends in Assam that whether it is a question of river transport or a question of transport of the finished product by pipeline, we shall give the fullest consideration to this question.

If the consultants agree we shall do it. We may have more than one consultants. I learn that the Assam Government are also proposing to have some consultants. We shall sit together and consider. If we are wrong, we shall confess that we have made a mistake, because in my heart of hearts I want to have this refinery in Gauhati. If I cannot have it in Gauhati, then, in national interests, I shall say so. But even before saying so I want to assure my hon. friend Shri Barua and through him all the people in Assam that I do not wish to entertain a feeling that a refinery in Gauhati is not an economic proposition.

But, we cannot do anything against realities. These realities have not yet come before us. Therefore, I want my hon. friend to consider this question most dispassionately whether strikes or demonstrations or agitations of a type which have absolutely no relevance to such highly complicated and technical questions should be encouraged by leaders who want to do things with any sense of responsibility.

I am glad to hear that atmosphere in Assam is very much improved and that our friends in the Congress are trying their level best to persuade the people to see reason because they know that every member of the Government of India wishes that if it is a feasible proposition and if it is in the interests of the country and Assam, we will have this refinery in Gauhati.

Shri Hem Barua: On a point of information, Sir. Coming to river barges, I met the Prime Minister on 23rd July and he told me that he was considering the transport of oil by river barges but that was not possible. But, subsequently I understand that this is so because the companies that are plying barges there have refused to co-operate with Government simply because of the fact that they do not want to displease the Assam Oil Company which is another British firm.

Shri K. D. Malaviya: It is all wrong, Sir.

The question of river transport will be considered and is being considered whether the sister companies of the Assam Oil Company come into it or not. That is not the question. When the Prime Minister assured my hon. friend Shri Barua that this question was being considered, he said so with all sense of responsibility and there the matter should end.

Shri Hem Barua: It was considered.

Shri K. D. Malaviya: There are views both for and against and there are more views against it than for it. But, I do not propose to go into the merits of it all. I can say many things just now on the floor of the House which can convince the House of certain aspects of the merits. But I do not wish to do so. I will not do it today. Why I do not wish to say that is because I want honestly to be convinced before I speak again on merits. It is no use raising these questions prematurely. I think the question is in the hands of the technicians and we should not brush them aside by saying that they have gone to the other side, that they are henchmen of the Assam Oil Company, that they have been influenced by the Assam Oil Company. It does not sound well; it is not good; it is not a decent thing to allege things like that. All that I wish to say is whether it is the Assam Oil Company or any other foreign company, no one can influence the Government of India today to deviate from their path, from their determination and policy that this oil business is completely to be under Government control.

Shri Hem Barua: May I know one thing?

Shri K. D. Malaviya: The more we go on with this object the more we get into difficulties that face us. Therefore, we are not going to act hastily or erratically. We have to act as realists as such problems will face

us. They will not face my friends so long as they talk from that place in this way. I only want them to talk in a more responsible way; then, they will see light.

Shri Hem Barua: I am grateful to the hon. Minister for telling us about these experts and technicians. In my speech I alluded to the recommendations of the Expert Committee and I said that they have suggested Gauhati as one of the three places.

Shri K. D. Malaviya: I quite catch it. My hon. friend rejected the entire report of the committee by saying that it was based on the information and data supplied by foreigners, the Assam Oil Company. He ended by saying: Look at these fools; they were led and influenced by the data that was produced by the Assam Oil Company. Now, he himself tries to produce it as a piece of evidence in his favour. Is he also influenced by the Assam Oil Company? Shall I take it like that.

The fact is we got certain data from the Assam Oil Company. We examined all this data and when examined, we found some of them were to be accepted and some not to be accepted. (*Interruption*). I suppose, there is nothing wrong in consulting experts. The Assam Oil Company have supplied the data; we accept them or reject them. I have nothing more to say about this question. I only hope that my hon. friends in the Opposition who are coming from Assam will consider very coolly.....

Shri Hem Barua: You have clouded the whole issue.

Shri K. D. Malaviya: They will consider coolly all the aspirations of the people of Assam. We hope that after all these questions are closely examined, the whole thing will be clear to us and if we can have a refinery after that examination we will be most glad to do so.

Shri Hem Barua: On a point of information, Sir, About this Expert Committee's report, I said that Gauhati is one of the three places recommended.

Mr. Chairman: Shall we discuss the report here?

Shri Hem Barua: I have discussed only the pattern of production.

Shri K. D. Malaviya: Gauhati was the last alternative.

Shri Hem Barua: At the same time I have questioned the pattern of production suggested by the Expert Committee. They have suggested a pattern which will deprive Gauhati of the location.

Sardar Swaran Singh: Mr. Chairman, Sir, but for the somewhat unfortunate excitement over the location of the refinery, the subjects that are the subject-matter of discussion today are more or less non-controversial.

Shri Hem Barua: Cold as steel.

Sardar Swaran Singh: They are non-controversial in the sense that all sections of the House as also everyone in this country is watching with very great interests the progress that our country is making towards industrialisation. The matters that are dealt with in the Ministry are, if I may say so with all humility, vital for providing that base for industrialisation.

Some hon. Members have used the expression 'core of the Plan'. The Finance Minister does not particularly like that expression. We should look beyond this expression and see the importance that the development of the fuel resources of the country and the exploitation of mineral resources and the manufacture of a vital metal like iron and steel are bound to assume in the rapid advance of our country towards the goal of industrialisation. I have to express my gratitude for the thought that the hon. Members of this House have given to the various problems that are the subject matter of discussion.

Some of them are somewhat technical. A considerable volume of data and figures are involved in certain aspects but the hon. Members have given a very clear exposition of some of the aspects of coal, lignite, iron and steel, oil and other matters about which they spoke during the discussion. I wish I had the time and the indulgence to be able to examine all these points in great detail. There is that limitation of time and I will attempt broadly to cover some of the important points dealt with.

First of all coal. The targets of production, their allocation between the private and the public sector and the steps that are taken to reach that target are fully known to this House. It is not my intention to repeat those figures again. However, I would like to say that the type of arithmetical calculation in which my usually well-informed friend, Shri Vittal Rao indulges in, is not applicable here to find a correct solution of the production that will be there in a particular year. The basis of his argument was that in 1956 we were able to produce some extra. So, multiply it by five for five years and because that falls short of the planned target, he says that there is something seriously wrong. I say that this type of oversimplification of arithmetical fractions is not perhaps the correct way of judging the progress that is made in a highly technical field like the exploitation of coal.

It is axiomatic to say that a number of preliminary steps have to be taken. Preliminary reports have to be prepared; places have to be surveyed; machinery has to be collected. Once all that thing is properly organised, then the pace of progress and the addition to production are much more rapid than the figure got by mere multiplication by five. The effective step that has been taken by the Government in giving a push to the National Coal Development Corporation by creating an autonomous body with fairly wide powers of executive responsibility is in the right direction and one can say with some confidence

that the target in the public sector is in all probability likely to be achieved by the end of the Plan period.

I am not going to recount the difficulties. Some of them are known. Only a few months back, I came to this Parliament for enacting the Coal Bearing Areas (Acquisition and Development) Act. It was an essential and preparatory step to enable the National Coal Development Corporation to get hold of those areas where coal is available because most of those areas were already covered by mining leases and the like.

The machinery had to be imported. Unfortunately for us, we have still to import quite a substantial part of coal mining machinery. Recently, orders have been placed in spite of our foreign exchange difficulties and according to those orders, we will be getting machinery worth about Rs. 3 crores. If we take into consideration the nature of the problem, the preliminary steps that have to be taken and the organisation that is to be set up, etc. it will be too hasty to pronounce a judgment that we have signally failed. It is not fair to say so.

I had promised not to burden my speech with figures. But there is one important matter about which the House would undoubtedly be interested. So far as State-owned and State-controlled collieries are concerned, in 1954-55, the total output was 2.93 million tons and in 1957-58, there is estimated to be an increase of roughly seven lakh tons in this sector alone. It is an increase of roughly 22 per cent or 23 per cent. The other collieries in the public sector on which active work is in hand may well be mentioned.

The monthly production of the following collieries in March 1958 is expected to be about 1.5 lakhs.

	tons.
Korba—Manual quarry	15,000
Korba—Incline Mine No. I	
Korba—Incline Mine No. II	6,000
Korba—Mechanical quarry	35,000

Kathara—Mine	30,000
Gidi—Mine	18,000
Sounda—Mine	10,000
Bhurkunda—II Mine	5,000
Kurasia—II Mine	5,000
Korea—I and II Mine	15,000

The increase in production in March 1958 in any of these projects will depend in some cases on our ability to despatch coal from that area. Therefore, whether it is an existing colliery or the development of a new one or improving the working condition in some of the earlier ones, the programme is well in hand and any misgiving on that score is not justified at all.

17 hrs.

With regard to coal another matter that was referred to related to the amalgamation of collieries. This matter has been under consideration for quite some time. I can now say that Government have accepted in principle the recommendations of the Amalgamation of Collieries Committee, and suitable steps will be taken to implement some of these decisions, the details of which have still to be worked out. But, so far as the principle of amalgamation is concerned that has been accepted by Government and we will shortly undertake further steps, legislative and the rest, to implement and finalise the details as to what should, for instance, be the size of the collieries that should come within that, what should be the upper limit, what should be the lower limit of production, what should be the arrangement either of compulsory acquisition or of voluntary amalgamation and all that. These are matters of detail about which final decisions have not yet been taken.

Criticism was made with regard to revision of coal prices. I would not like to prejudice the investigation that at the moment is being undertaken by a fairly high-powered coal pricing committee upon which there are representatives, besides this Ministry, of other important Ministries also. That will go into the entire picture, and to defend a particular view or to find arguments against it, perhaps.

[Sardar Swaran Singh]

would embarrass the committee and will not yield any particular point except perhaps, may be, a debating point here or there, and I would resist the temptation of merely putting forward a debating point. Suffice it to say that this question of coal prices about which there have been a considerable amount of unrest and almost agitation in the coal industry is now being investigated by a committee upon which representatives of various Ministries concerned are represented. They have already taken the memoranda and evidence, if I may use that expression, from the industry and from the workers. They have visited some of the mines, and they will be giving a report after taking everything into consideration. That report would be useful to enable the Government to take a final decision in that respect.

I thought that my friend Shri Vittal Rao would welcome that compromise between industry and labour which was brought about by the good offices of my colleague, Shri Nanda, the Labour Minister, in which by an agreement a matter which was agitating the minds of a large section of both the industry and labour, and about which a case was pending in the Supreme Court, was settled. The admirable manner in which an out-of-court agreement was secured should have been a matter upon which my friend Shri Vittal Rao should have congratulated the Government. Instead of that, he raised that as a point of criticism. In so far as it related to a revision of the coal prices, that revision also was a part of that agreement which was accepted broadly by all the parties who participated in the course of that discussion.

Shri A. C. Guha: Has the case in the Supreme Court been withdrawn, or is it still pending there?

Sardar Swaran Singh: I am not sure as to what is the latest position, but the understanding was that it should be withdrawn. My colleague, the

Labour Minister, has already said that it is the intention of the Government to enforce that agreement, and for that purpose even if legislation is necessary to be undertaken he said that he will not hesitate to undertake legislation to that effect.

Shri A. C. Guha: When legislation is necessary in that respect, the sooner it is brought the better.

Sardar Swaran Singh: Then, very naturally, this question about movement of coal was raised. That is a matter which has been discussed from time to time both when the Ministry in charge of coal is being discussed as also when the Railway Administration are discussed, and quite naturally so. The stuff itself is bulky. The places of production are known. Our country is a large one and its transport resources are not fully developed. Therefore, this jig-saw position remains. But, every effort had been made, when the plans for development both of coal resources as also of railways were finalised, at the time of the formulation of the Second Five Year Plan to see that there should be a co-ordinated development between the railways and the coal mines so that whatever is produced is moved to places of consumption, and the object being to conserve and use the limited transport resources to the best advantage of the country. That is a broad principle, and its actual application with regard to a particular colliery or a particular part of the country may have yielded results which are not quite palatable to the people concerned. But, there it is, and no amount of argument can alter it, except that if there is any obvious imbalance anywhere or any lop-sided sort of development a second look could be had at that.

As this hon. House is aware, this is one of the most important functions and, if I may say so, a fairly difficult function of the Coal Controller's Office, to canalise the movement in such a way that the essential industries, the Government's requirements, the requirements of the Railways, the

requirement of ports, the export situation and everything is properly co-ordinated and the best utilisation of the available resources is made.

So far as training of supervisors is concerned, I admit there has been some delay in starting the training centre in Andhra Pradesh. In reply to one of the questions the other day I did give some information. All that I need to say at the present moment is that we will take up this matter further with the State Government and we will do our best to ensure that this training centre is started as soon as it can be done, because we are really very vitally interested in increasing our training facilities for that purpose.

Something has been said with regard to the facilities that are available for the workers. That is in itself an important subject, and if I were to recount all that had been done, perhaps most of my time will be taken. The Labour Ministry, I am sure, who are in charge of that cess fund, would be in a better position, and there would be a greater volume of time also to go into detail with regard to this aspect.

So far as the Government collieries are concerned, we are taking steps from time to time to improve the working conditions and also to provide other amenities, and this is somewhat a harsh criticism when it is said that even in Government collieries the conditions are deplorable and the like. It may be that they do not come up to the expectations of all of us. We naturally want to do considerably more than what we have been able to do, and that matter is constantly engaging our attention. It will be our constant endeavour to do our utmost to improve their working conditions and their living conditions.

Now, Sir, a few words about the important lignite project, and in this respect I would point out to the House that Shri Vittal Rao, an hon. Member from the South, does not appear to agree very much with two other hon. Members from the South,

namely, Shri Ramaswami and Shri Narasimhan. He thinks that probably it is a wild venture and we may be spending a great deal more. He even produced some calculations to show that the caloric effect of so much quantity of lignite ill compares with the caloric value or the thermal or the heat value of the same volume of coal. That is correct. But it has to be remembered that from the south and from that area to the coal-fields in Bihar and Raniganj, it is considerable distance, which even Opposition Members cannot ignore, and it entails difficult transport problems. Even today we have to move considerable quantities of coal towards that area by sea and that means greater expenditure, and some Members representing the State of Mysore justifiably raised the point as to why the entire coal for the requirements of Bhadravati Iron and Steel Works is not made available by rail. I cannot make all that coal available on account of transport difficulties.

An Hon. Member: Rs. 45 a ton.

Sardar Swaran Singh: Yes; it is true that these things may be costing a little more or costing a little less, but its availability is of vital importance, and it cannot be made available unless it is moved to that point and it cannot be moved without incurring heavy additional expenditure. Therefore, to exploit the resources that are available there was the best under these circumstances, and I for one am very happy that this project was undertaken, and I can recall with a certain amount of pleasure the excitement that I noticed in the eyes of everyone when the Prime Minister went there to perform the opening ceremony of the first mine cut there.

Shri Banga: That will be the biggest for the whole of the South.

Sardar Swaran Singh: Then it has to be remembered that it is not wholly for the purpose of raising fuel, but it is an integrated project. Fertilisers, briquetting plant and also a power house and a thermal station are all interconnected with this project.

Shri Ranga: It involves defence interests also.

Sardar Swaran Singh: There are so many arguments in favour of it and the House appears to be so fully convinced that I need not pursue this point further. I am sure that Shri T. B. Vittal Rao himself has started feeling a little guilty as to why he raised this point.

Shri T. B. Vittal Rao: On a point of personal clarification of the point. I was not against the project. I asked about the capital investment. What are they going to raise in relation to the capital investment? That is Rs. 50 a ton.

Sardar Swaran Singh: Even on that capital calculation, we can indulge in that exercise sometimes later when we have a little more leisure, but all this has been calculated and it was found that it would be worth-while to have that project there both as a centre for producing thermal power as well as for the fertiliser plant and the like.

Now, there is very little time left. I have still a very important part of my function to discharge, namely, to say something about the steel plants. This is a subject which is so fascinating and really so much time is necessary to enable me to give a complete picture to the House that I will have to remain content by giving only some broad facts about the steel projects. So far as our present foreign exchange difficulties are concerned, it has been explained on a number of occasions by the Prime Minister, the Finance Minister and by other Ministers dealing with the economic subjects that our foreign exchange difficulties today are difficulties that have arisen not on account of any extravagance or because we are indulging in any spending spree but really because we have undertaken colossal tasks for laying down sound bases for the development of our country.

Take, for instance, these steel plants. They consume a very huge

quantity of steel. They consume huge amounts of foreign exchange which we can ill afford today. Even in spite of all that, we are going ahead with these projects. It is with this firm hope that when they go into production, this foreign exchange difficulty with which we are faced today will to a very great extent disappear. That will open opportunities in this country for manufacturing many of the heavy machinery and other equipment which is so essential for the industrial development. We cannot take our country to the goal of industrialisation by depending on imports of heavy machinery and the imports of other capital goods from foreign countries for long. As regards this machinery, heavy or other capital goods, even steel itself, during the last two years or so, we had to import to meet our requirements, whether they are the industrial users, agricultural users or for construction purposes or for the purpose of other projects, and the amounts are very considerable. They run into three figures of crores almost every year. That is the state of affairs which our country cannot sustain. Therefore, all eyes are naturally turned towards seeing that these steel plants go into production and produce the metal which is really the answer for all development and progress in the modern technological stage in which the world finds itself today.

So far as these three steel plants are concerned, I would like to give information to the House: not that it is new, but I would like to give a picture which might indicate the targets as also some financial implications of these projects. By the end of the last year, work on the three steel projects—in Rourkela, Bhilai and Durgapur—was well set to run according to plan. Specifications were finalised and orders placed for all the main plant and machinery. With this preparatory work finished, Government considered that it would be advantageous if all the three steel projects were brought under a unified company management. The Bhilai

and Durgapur steel projects were transferred from the 1st of April, 1957 to the Hindustan Steel Private Limited, a wholly-Government owned company formed originally to construct and manage the Rourkela Steel Works.

For Rourkela, 25 German firms are to supply plant and equipment. Manufacture of these is going on according to schedule, and the first consignments required for the coke oven and blast furnace have begun to arrive. Civil engineering work in the sections, required for the production of iron, is progressing and despite certain initial difficulties, it is hoped to commission this department according to schedule. The first blast furnace will go into production before the end of 1958. Civil engineering work involved in the rolling mills is large and complicated, and there has been some difficulty in securing contractors with the necessary resources and experience. Nevertheless, we are trying our best by offering incentives and such like to adhere to the target dates.

In Bhilai, the tempo of work has been increasing and the back-log which had been created owing to some difficulties in making arrangements for civil engineering construction is expected to be made up in the course of construction. Suitable readjustments of the monthly programmes have been discussed with the Soviet Chief Engineer and it is hoped to produce iron by the end of 1958 and finished steel by the end of 1959.

17.20 hrs.

[MR. SPEAKER in the Chair.]

In Durgapur, the contract with the Indian Steelworks Construction Company, is for the supply, construction and erection of the steel plant as a whole. Construction is proceeding according to schedule. While construction is going on, arrangements are being made for the supply of raw materials and the training of the men required for the operation of the three steel plants. The important raw materials are iron ore, limestone and coal.

Iron ore for Rourkela will be obtained from mines to be developed at Barsua, 50 miles from the site of the steel works. Contracts have been made for the supply and erection of the equipment for these mines. Until these mines are ready, it is proposed to run the steel works with ore from another mine in Bolani (Gua) which is being developed primarily for supply to Durgapur. While the mines will have to be mechanised for large scale operation, the nature of the deposits in Bolani is such that small quantities required for the first blast furnace at Rourkela can be moved over the existing railway system, with a few improvements.

Bhilai will draw its ore from Jharia, about 50 miles from the steel works. Plant and equipment for these mines will be supplied by the U.S.S.R. As elsewhere, the difficulty has been with civil engineering work. Here again, we expect to be able to arrange for this work to be done in time.

Limestone for Rourkela and Durgapur will be obtained mutually from Birmitrapur and Hathibari which supply the existing steel works. Further exploration is going on to locate permanent sources of supply. Limestone for Bhilai will be quarried from the deposits of Nandini (Deorjhal) about 12 miles from the steel works.

Coal for Rourkela will come from Bokaro/Kargali and Jharia fields. This was one of the points raised by an hon. Member. The Bhilai plant is based on a mixture of coals from Bokaro/Kargali, Jharia and Korba coals. Durgapur will use a blend of Jharia and Raniganj coals. With the limited resources of metallurgical coal, these will be washed as a measure of conservation. This was one of the points raised by Mr. Guha. A washery is under construction in Kargali which would wash the coals for Rourkela and Bhilai from the Bokaro and Kargali fields. Jharia coals for these two plants will be washed in a washery in Dugda for which tenders have been

[Sardar Swaran Singh]

invited. The contract with the Indian Steelworks Construction Company includes a washery for Durgapur. This also answers Mr. Guha's query. The railways are constructing new lines to meet the demands of the steel works for these raw materials.

Another important point about the training of the personnel was raised. I would like to say something briefly about that aspect also. For the operation of the three steel plants, it is estimated that 120 experienced engineers, 1,200 qualified engineers, 10,000 skilled workers and 7,000 semi-skilled workers would be required. Until the 1st of April, recruitment of engineers was made largely through the Union Public Service Commission. With the transfer of the Bhilai and Durgapur Steel projects to the Hindustan Steel (Private) Limited, the responsibility for recruitment has now been taken over by the company.

Besides 363 engineers for the construction of the works, 547 engineers have been selected to be trained to take over ultimately the operation of the three steel plants. 20 engineers have returned after training in the U.S.S.R. and 11 after training in Germany. 115 engineers are now under training in the U.S.S.R., 69 in Germany and 115 in the United States. U.S.S.R. will train another 84 engineers and 487 supervisory skilled supervisory staff. The Ford Foundation of America has made arrangements with the steel works in that country to train 900 engineers and skilled workmen. 300 are expected to be trained under the Colombo Plan in the steel works of the United Kingdom. Some engineers will also be trained in Canada and Australia.

Shri Ranga: How long will it take to send these people to those countries? We seem to be taking too much time.

Sardar Swaran Singh: We are already sending them. That is what I said. Some of them have actually come back after finishing the training.

Shri Dasappa: The hon. Minister said that the recruitment was taken out of the hands of the U.P.S.C. May I know why?

Sardar Swaran Singh: U.P.S.C. is unable to undertake the responsibility for recruiting personnel for a company.

Shri Ranga: They are slow.

Sardar Swaran Singh: There is one point about which I would like to say something before I close. It has been pointed out by hon. Members that the estimates, as they now appear with regard to the cost of the steel plants, are higher than the original estimates. I would like to say something on that score. The original estimates were, Rourkela Steel Plant—Rs. 128 crores, Bhilai Steel Plant—Rs. 115 crores and Durgapur Steel Plant—Rs. 115 crores. These estimates did not include the cost of the three townships, two ore mines, fees to the consultants and the cost of Indian and foreign experts. In December last it was stated that there had been an increase in the estimates of the Durgapur and Rourkela Steel plants mainly on account of an increase in the costs of material and labour in the countries from which the plant is to be imported and also owing to a seller's market developing in India for civil engineering works. The Durgapur plant was expected to cost Rs. 138 crores and the Rourkela plant about Rs. 170 crores, excluding customs duty and contingencies. The estimates for the Bhilai Steel plant have not yet been revised. But, when revised, these are bound to reflect the increased Indian costs. We are now engaged in revising the estimates of the Bhilai steel plant to bring it into line with the Rourkela and Durgapur estimates.

The content of the estimates differs somewhat from plant to plant and as such, any meticulous comparison would be difficult. In Bhilai, a number of things are the responsibility of

the Government of India Making such additions as are necessary to bring these estimates to a somewhat comparable basis, the Bhilai plant is expected to cost Rs 131 crores. This is not a firm figure because we have not yet worked out the revised estimates.

These estimates, Rs 170 crores for the Rourkela plant, Rs 138 crores for the Durgapur plant and Rs 131 crores for the Bhilai plant do not include the cost of the following items: township, ore mines and quarries, land, prospecting and designing, development of sources of water supply, power supply facilities up to the perimeter of the plant, personnel required for operation including the cost of training, railway works outside the perimeter of the plant, personnel employed directly by the project, customs duty, expenditure on medical services, office expenditure and such other ancillary expenditure. I thought, in fairness to the House, I should make this position clear so that the present position, as it obtains today, may be fully clear to the hon House.

While the capital costs given earlier are the cost of the steel plant proper, viz, everything within the perimeter of the works, there are differences in the three steel plants in regard to what is within the perimeter. The original German estimate for the 1 million ton steel plant at Rourkela was Rs 128 crores. In December, 1956, we announced an estimate of Rs 170 crores. Two points need elucidation. Why did Rs 128 crores rise to Rs 170 crores and why does the Rourkela plant cost Rs 170 crores while the Durgapur plant, for example, costs only Rs 138 crores?

The original estimate was definitely an under-estimate. The German consultants were not quoting for the plant, but merely giving their opinion of what it would cost to buy in the market. In doing so, they erred on the low side in order to guard against the possibility of their estimate being regarded by the suppliers as minimum. The actual market prices proved to

be about 30 per cent more. Even so, our British Consultants were satisfied that they were reasonable under European conditions and definitely less than American prices.

Similarly, the volume and complexity and cost of civil engineering and other works was under-estimated.

Secondly, why does the Rourkela plant cost more than the Durgapur or Bhilai plants? By its nature, the Rourkela plant is costlier. It is designed to produce flat products like sheets and plates, and for this purpose includes a very modern continuous strip mill. The fob price of the rolling mills alone of Rourkela, Rs 57 crores is nearly Rs 30 crores more than the Bhilai rolling mills and Rs 15 crores more than the Durgapur rolling mills. Apart from the rolling mills Rourkela has had to have a big power station of 75,000 kw because of larger consumption of power in the rolling mills and the quick fluctuation between average and peak loads, a factor which limits the extent to which power can be taken from Hirakud and provision for a fertiliser plant.

The extra fob cost of power plant accounts for Rs 3 crores. These two factors alone account for practically the whole of the difference between Rourkela and the other two plants.

There is one small point and with that I will try to finish. Something was said about the Salem ore and the other rich ores that are available in the South. With regard to that I would like to say that this matter is already engaging our attention and pilot experimental work has been undertaken at the Metallurgical Research Institute at Jamshedpur and depending upon the results of that further progress can be made.

So far as conventional methods of manufacture of steel are concerned, coke is a very essential raw material and there has not been any great progress made in the manufacture of steel by electric power alone. All

[Sardar Swaran Singh]

those points can be gone into and if it is feasible, certainly steps could be taken to develop the manufacturing capacity in the South also

I am fully aware that some points have still remained unreplyed but it is already 5-30 P.M. and I do not want to try upon your indulgence too much. I would end by saying that we are well set towards the realisation of the targets and the achievement of targets in the production of coal, in the production of lignite, in the production of iron and steel, in striking oil, if my hon. friend, Shri K. D. Malaviya, is lucky, will be very important land marks in the progress of our country.

Shri Narayanankutty Menon: The hon. Minister who replied to the debate in the earlier occasion was sentimental enough not to reply to questions. That is why didn't ask him questions.

Mr. Speaker: It does not matter. Let bygones be bygones.

Shri Narayanankutty Menon: What is the share of the Government of India in the proposed rupee company to be formed in Assam? Secondly, what action has the Government taken after accepting the offer of USSR of a loan of 500 million roubles for the construction of refinery?

Sardar Swaran Singh: I think about this USSR offer of credit there is some confusion. There is an offer of 500 million roubles of foreign exchange and it will be available from the year 1959-60 and I think this was one of the projects that was considered under that head. Now it is for the Government of India to consider by mutual adjustment as to which are the most appropriate projects that should qualify for that aid. Some negotiations are to take place within a few weeks as to what should be the projects that should come within that 500 million roubles credit which will be available after, I think, a year or two. Apart from that, there is no other USSR offer. I think there is

some confusion in the mind of my friend, Mr. Menon, on that score.

Shri Narayanankutty Menon: It was specifically mentioned in the report that an offer of Rs. 60 crores has been made for the specific purpose of constructing a refinery and the Government is

Sardar Swaran Singh: If it pleases my hon. friend, that may be said to be superseded by what I said today because I do not know what is there in the report. I have to check it up. But what I said now is the correct state of affairs.

Shri Ranga: May I know whether the consideration that the hon. Minister has promised to give to the iron ore that is to be found in Salem would also be applicable to the iron ore that is to be found in Telengana, and Sandur of Karnataka also? There are heavy deposits there.

Sardar Swaran Singh: I would only like to add that it is applicable to the iron ore that is found in the South of Punjab.

I again end by saying that iron ore is available in fairly large parts of the country and our effort, as we make progress, will be to extend our activities to as wide a circle as possible. To start with, we have to select places where all the facilities are readily available so that we do not tackle the most difficult parts in the beginning.

Shri Narayanankutty Menon: What about the share in the rupee company?

Shri K. D. Malaviya: I will just state for the information of the hon. Member that so far as the rupee company is concerned, it does not come in this refinery business. The question of setting up a refinery with that

Shri Narayanankutty Menon: That we know.

Shri K. D. Malaviya: The rupee company is for the production of crude oil and transportation of crude oil by pipelines. The refinery is completely out of the scope of the present discussion, so far as the rupee company is concerned. We are completely free to negotiate for this refinery with whomsoever we like.

Shri Narayanankutty Menon: What is the share of Government in the rupee company?

Shri T. B. Vittal Rao: What is Government's share? We know all these things. We know that the refinery is not there.

Shri K. D. Malaviya: In the rupee company, Government's share is 33 per cent. The prices will be subject to the approval of Government, and all controls with regard to policy will be in the hands of Government.

Shri Ranga: What more does the hon Member want? 66 per cent is from outside. We do not have that money ourselves.

Shri Shankariya (Mysore): In view of the fact that two of the biggest iron and steel companies are situated in northern India, and three steel plants are being started in northern India, may I know what special reasons are assigned for not developing the iron and steel industry in the south, particularly the Bhadravati Iron and Steel Works on the same scale as the Rourkela or the Bhilai or the Durgapur plant? The necessary facilities are there, the iron ore there is of the richest variety. There is also electric potential to the tune of 7 lakhs kw from the Honnameradu project on the Sharavati river. When all these things are there, I do not know why Government are hesitating to develop the industry in the south, because

Mr. Spaker: Order, order. The hon Member should not make a speech, but only ask a question. What he wants to know is this. When there are three steel plants, why should they not be distributed all over the

country, one in the east, one in the north and one in the south? That is the simple point.

Sardar Swaran Singh: I wish I could do that, if it were something moveable, I could take it from Bhilai and send it to somewhere in the south.

Mr. Speaker: That is not the point.

Sardar Swaran Singh: But it is a very immovable thing. Coal and iron ore cannot easily be changed over to another place. The ore has to be where it is.

So far as the expansion programme of the Bhadravati Works is concerned, that expansion programme is already known to hon Members, and that was why I did not repeat it.

Shri Basappa: But it has been cut down from Rs 11 crores to Rs 6 crores.

Sardar Swaran Singh: The complaint is that it has been cut from Rs 11 crores to Rs 6 crores. That is not the only thing that has been cut. There are many other things also. After all, we have to see what the overall resources of the country are, and if there are any cuts, well, the administrative Ministry may feel a little sorry but that is the end of it. We cannot do anything more. What I mean to say is that within the resources that are available, and having regard to the most economical utilisation of whatever resources we have, what has been done for the Bhadravati Works, is to my mind, very reasonable. If there is any concrete suggestion or any specific point which any hon Member has to make, I am sure that he is most welcome to put it forward, and I shall examine it with all the care, and get it examined also.

I think I owe an explanation to my hon friend from Bombay who raised a number of technical points relating to the various steel works. I wish I had time to reply to them, because it is very interesting and also easy to reply to them. If I am not replying

[Sardar Swaran Singh]

to them now, it is not because we have not got any information on that score, but it is because of lack of time. I extend him an invitation to have a look at the detailed projects reports where all the replies are there to the points that he has raised. Even if I were to reply, I would only read out from those reports. If he feels interested in any of the by-products or in any of the other processes, he is most welcome to have a look at our papers on those points.

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

All the cut motions were put and negatived.

Mr. Speaker: I shall now put the Demands to vote in two groups, those with respect to which some amounts have already been voted upon by this House, and the others with respect to which no amounts have been voted so far, and which are new items

The question is:

"That the respective sums not exceeding the amounts shown in the fourth column of the Order Paper including the sums already voted on account for the relevant services be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1958, in respect of Demands Nos. 78, 81, and 128".

The motion was adopted

Mr. 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, 1958, in respect of the following heads of demands entered in the second column thereof:—

Demands Nos. 79 and 80".

The motion was negatived.

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

DEMAND No. 78—MINISTRY OF STEEL, MINES AND FUEL

"That a sum not exceeding Rs. 31,15,000 including the sums already voted on account for the relevant services be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1958, in respect of 'Ministry of Steel, Mines and Fuel'".

DEMAND No. 79—MINES

"That a sum not exceeding Rs. 28,37,000 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, 1958, in respect of 'Mines'".

DEMAND No 80—EXPLORATION OF OIL AND NATURAL GAS

"That a sum not exceeding Rs. 1,50,31,000 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, 1958, in respect of 'Exploration of Oil and Natural Gas'".

DEMAND No 81—MISCELLANEOUS DEPARTMENTS AND OTHER EXPENDITURE UNDER THE MINISTRY OF STEEL, MINES AND FUEL

"That a sum not exceeding Rs. 55,96,93,000 including the sums already voted on account for the relevant services be granted to the President to defray the charges which will come in course of payment during the year ending the 31st day of March, 1958, in respect of 'Miscellaneous Departments and Other Expenditure under the Ministry of Steel, Mines and Fuel'".

**DEMAND No. 126—CAPITAL OUTLAY OF
THE MINISTRY OF STEEL, MINES AND
FUEL.**

"That a sum not exceeding Rs. 1,68,65,24,000 including the sums already voted on account for the relevant services be granted to the President to defray the charges which will come in course

of payment during the year ending the 31st day of March, 1958, in respect of 'Capital Outlay of the Ministry of Steel, Mines and Fuel'".

17.41 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Wednesday, the 14th August, 1957.